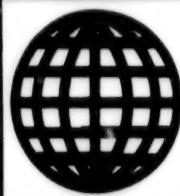


JPRS-SEA-92-021

30 October 1992



JPRS Report—

East Asia

Southeast Asia

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CONTENTS

30 October 1992

INDONESIA

ECONOMIC

Response to European Monetary Situation, EEC Developments /KOMPAS 24 Sep/	1
Ambassador Reaffirms Refusal To Accept Dutch Aid /KOMPAS 24 Sep/	2
Writer Questions New Scheme for Buying Cloves /EDITOR 12 Sep/	3

PHILIPPINES

Ramos Increases AFP Budget /DIYARYO FILIPINO 5 AUG/	5
High Ranking NPA Couple Arrested /DIYARYO FILIPINO 5 Aug/	5

VIETNAM

POLITICAL

New Premier Stresses Fighting Inflation As Crucial Goal /TUOI TRE CHU NHAT 27 Sep/	7
National Assembly Discusses, Votes on Government Structure /TUOI TRE 1 Oct/	8
Deputies Debate on Draft Laws Noted /TUOI TRE 10 Sep/	9
Article Compares New Government Structure, Council of Ministers /TUOI TRE 6 Oct/	10
Voters Contribute Opinions for National Assembly Meeting /TUOI TRE 12 Sep/	12
City Voters Express Opinions on Socio-Economic Issues /SAIGON GIAI PHONG 13, 14 Aug/	13
Article Discusses Problems in Khanh Hoa Party /NHAN DAN 4, 5, 7 Sep/	17

ECONOMIC

'Unusual' Features in City's Economy Noted /SAIGON GIAI PHONG 17 Aug/	25
Official on Measures To Collect Back Taxes /THOI BAO KINH TE SAIGON 5 Aug/	26

ECONOMIC

Response to European Monetary Situation, EEC Developments

93SE0006A Jakarta KOMPAS in Indonesian 24 Sep 92 pp 1, 11

[Text] Jakarta (KOMPAS)—If the fluctuating European situation is prolonged, it will have a big impact on Indonesia's economy, for Europe is the second largest market for Indonesian commodities (oil and gas and other commodities) and the largest for commodities other than oil and gas. Meanwhile, Indonesia must prepare alternatives for facing the more concrete plans for European unity that will follow the Maastricht Treaty.

Junior Minister of Trade J. Soedradjad Djiwandono said this when interviewed by KOMPAS at his office on Wednesday, 23 September. Soedradjad said European economic fluctuations will have an impact on long-term trade if they continue.

Meanwhile, Radius Prawiro, coordinating minister for economics, finance, industry, and development control, hopes the access of Indonesian exports to European markets will not be hindered, because Indonesia is now working hard to create jobs and eliminate poverty. He expressed this hope at his office Wednesday in a meeting with a European Parliament delegation.

Radius Prawiro told reporters that although the European Parliament delegation did not guarantee that EC governments would agree to maintain the access of Indonesian exports to European markets, they promised to take the matter back to their respective governments.

Depend on Exports

Soedradjad said that because Indonesia is now among the countries whose economies depend on exports, instability in the EC, Indonesia's biggest commodity market, will affect our economy.

With regard to a unified Europe, Soedradjad said there is a fear that Europe will be more closed and will give more emphasis to relations among European nations. However, the EC has assured all countries, including Indonesia, that a single European market will not mean a closed door to products from nonmembers.

As for ties between Indonesia and the EC, Soedradjad said both sides realize the importance of the other's position. The creation of an EC Commission representation in Jakarta and an Indonesian representation to the EC in Brussels reflects the desires of both sides to establish mutually beneficial relations. These diplomatic ties should be supplemented by expanded relations in other sectors, including trade.

Measures to be taken in anticipation of a unified Europe are diversification of export commodities, stabilization of trade avenues through various EC member countries,

and expansion of trade with countries closely tied to the EC. All these efforts will be for the sake of penetrating the large EC market, which has such great potential.

Since 1986, Indonesia has had a balance of trade deficit with the EC. In 1991, Indonesian exports to the EC were worth \$3.8 billion, while its imports were valued at \$5.4 billion. These totals were the result of year-to-year increases. "From these figures, I judge our trade with Europe to be very great, and even more so if we speak only of commodities other than oil and gas," Soedradjad declared.

Of Indonesia's total nonoil exports of \$2.975 billion, 21 percent went to Europe. Only 20 percent went to Japan, 16 percent to ASEAN, 15 percent to the United States, 10 percent to the newly industrialized countries (NIC's), 5 percent to the Middle East, and 4 percent to the PRC.

Considering all exports, including oil and gas, the EC holds second place at 13 percent, or less than half of Indonesian exports to Japan. Thirty-seven percent go to Japan, 12 percent each to the NIC's and the United States, 10 percent to ASEAN, 4 percent to the PRC, and 3 percent to the Middle East.

Indonesia has been taking steps in anticipation of a single European market since the plan emerged in 1986. With or without the Maastricht Treaty, Soedradjad said, a single market will be created.

Indonesia's preparations include sending a trade promotion mission to some EC countries and taking advantage of facilities given by the EC, such as participation in trade exhibits.

Besides the government's choosing Rotterdam as the site for an Indonesian Trade and Distribution Center, several private Indonesian companies have gone even further by opening business branches or distribution centers in EC countries. Indonesia also has had traditional trade ties with individual EC countries, namely the Netherlands, Germany, and Britain.

Nevertheless, Soedradjad feels it is necessary to explore expansion of trade to other areas, such as the Nordic countries, the European Free Trade Association (EFTA), the Middle East, and Latin America. Through more exports to the Nordic region, Indonesia will have a way into the EFTA and EC. There will be other approaches, like the one to Uzbekistan, to the countries of Eastern Europe, Central Europe, and the other former Soviet states. These countries also represent a potential market because they are within the sphere of Western influence.

According to the European Statistics Office (EUROSTAT), Indonesia's main nonoil exports to the EC are textiles and textile products, wood products, vegetable oils, footwear, coffee, tea, pepper, natural rubber, tobacco, copra, shrimp, fish products, leather, cacao, tin, frog legs, and fresh fruit.

Not Felt

In reply to a question from a member of the European Parliament delegation about the effect of the European monetary crisis on Indonesia, Radius said the crisis is not being felt very much because most of Indonesia's foreign trade is based on the U.S. dollar.

Dr. Sjahrir made a similar statement when contacted by KOMPAS on Tuesday [22 September]. He said the money market in Indonesia has not been affected by the crisis in European money markets.

"I have not seen any significant implication. As commissioner of a company operating in the money market brokerage field, which is very sensitive to changes in exchange rates, I have not noted any tremors at all or any of the excessive speculation that has taken place in foreign money markets," he said.

The reason for this is that Indonesia's money market is not sensitive to outside problems. In the long term, the influence of such fluctuations on Indonesia's economy will depend on how European unification finds a suitable format. "For now, the effect of European uncertainties on Indonesia is too much in the realm of speculation," he added.

The fluctuations that occurred in European exchange rates last week were not as great as those of 1986-87, when the dollar plummeted drastically against other strong currencies. "At that time, we had to get special loans from Japan." Elsewhere, Rusli Suryadi, manager of Treasury Bank Bali, said the European monetary crisis has no influence on our domestic money market. "The volume of Deutsche mark is stable on the interbank money market. Its value has gone up only a little, by 4 or 5 rupiah, and that only because of 'indications' from Bank Indonesia," he stated.

The Indonesian capital market is also calm. According to J.A. Sereh, president director of PT [Limited Company] Jasereh Utama, "Most of the foreign investors making transactions on our capital market are from Hong Kong. Because the basis of our capital market operations is still the Asia Pacific region, the monetary crisis in Europe has not had any effect on it."

Ambassador Reaffirms Refusal To Accept Dutch Aid

93SE0007A Jakarta KOMPAS in Indonesian 24 Sep 92 p 3

[Text] The Hague (KOMPAS)—Indonesia is firm in its rejection of financial aid from the Netherlands. The report circulating in the Netherlands that Indonesia has changed its position on this matter is not true.

Prof. Bintoro Tjokroamidjojo, Indonesian ambassador to the Netherlands, said this to Indonesian reporters in the Hague on Tuesday night, 22 September.

KOMPAS correspondent Bambang Sukartiono reported that the purpose of Bintoro's statement was to counteract mass media reports that he felt put Indonesia in a corner. Several newspapers reported that Indonesia has changed its thinking on Dutch aid and is looking for a way out.

Bintoro said that although Indonesia is firm in its rejection of Dutch financial aid, this position does not mean that Indonesia must bring an end to cooperation. Dutch aid to developing countries in Africa is an example. Through Dutch aid funds, Indonesia can have a part in helping African countries in such sectors as family planning and food self-sufficiency. In these cases, Indonesia would send experts.

Such endeavors, Bintoro said, would be consistent with the decisions of the 10th Nonaligned Movement [NAM] summit conference in Jakarta on expanding South-South cooperation. As chairman of the NAM, Indonesia is expected to play a big role.

"Such actions would not be a 'way out' or represent a change in Indonesia's policy of rejecting Dutch financial aid," he said.

Rapid Development

Indonesia announced its policy of rejecting Dutch aid on 25 March. At the same time, Indonesia asked that the Netherlands no longer act as chairman of the IGGI (Inter-Governmental Group on Indonesia).

Bintoro said the policy does not mean relations between the two countries are altogether severed. On the contrary, relations are developing rapidly in a number of sectors, primarily trade, investments, and tourism. "In fact, there has been a 'breaking of barriers' in trade and economic cooperation," he said as he told what has happened in his first two years and two months of duty in the Netherlands.

In the trade sector in 1990-91, Indonesia's exports rose 8 percent and reached 1 billion guilders. Then, during the first four months of 1992, trade rose by 21 percent over the same period last year. For example, in 1990 Indonesia exported to the Netherlands goods worth \$723 million, whereas in 1982 exports had totaled only \$347.5 million. Indonesia had a trade surplus of about \$180 million in 1990.

In the investment sector, Dutch investment in Indonesia rose to sixth largest from its previous standing as eighth largest. In the tourism sector, Dutch tourists visiting Indonesia have reached 160,000 per year.

"Thus, Indonesia's decision does not reduce economic cooperation activity between the two countries. In fact, there is now in Rotterdam an Indonesian Trade and Distribution Center (ITDC)," he said. Bintoro hopes that future relations between the two nations will be based on mutual respect. "Asymmetric" viewpoints and dealings are not healthy, and Indonesia is not young and

"inexperienced," he stated. He also said he hoped the "postcolonial syndrome" still in the minds of some people in the Netherlands can quickly be eliminated.

Joint Committee

Meanwhile, Dutch Minister of Foreign Trade C.T. van Rooy told Indonesian reporters at the minister's office on Tuesday that an Indonesia-Netherlands joint committee on economics and trade is soon to be established. The committee will coordinate various aspects of economic cooperation for the sake of expanding multilateral relations.

"The committee will be approved around the end of the year by ministers of the two countries. I also hope the committee will be a milestone in the establishment of more mature relations that will be mutually respectful and profitable."

Van Rooy expressed the hope that the private sectors of the two nations will play a big role as we enter a new era of bilateral relations. A number of plans have been made at the government level, including visits to the Netherlands by Minister of Industry Hartarto and Minister of Agriculture Wardojo. In October, a 54-member delegation led by Amsterdam Mayor Ed van Thijn will visit Jakarta and Surabaya.

Writer Questions New Scheme for Buying Cloves

92SE0376C Jakarta *EDITOR in Indonesian* 12 Sep 92
pp 74, 75

[Article by Syatrya Utama: "Besides KUD's (Village Unit Cooperatives), BPPC (Clove Support and Marketing Board) Also Buys"]

[Text] Clove growers in Central Java, Yogyakarta, and East Java now are not required to sell their cloves to KUD's [Village Unit Cooperatives], for on 1 September the BPPC [Clove Support and Marketing Board] opened LPC's (clove purchase counters) in the three provinces. At these counters, clove growers can sell their products directly to the BPPC. "The counters begin operation on 1 September," said Jantje A. Worotitjan, BPPC secretary-general.

Previously, government regulations required that growers sell their cloves to the BPPC only via KUD's. However, according to information obtained in Clove Marketing Coordination Meetings, held in July and August in Semarang, Yogyakarta, and Surabaya, many growers, faced with large quantities of cloves unsold because of limited KUD funds, have been selling their cloves below the base price set by the government.

Hamonangan Siregar, chief of the Department of Trade regional office, said that during August, for example, clove production in August reached 12,000 tons, but KUD's absorbed only about 500 tons. As a result, clove prices at the grower level fell below the base price.

Therefore, the BPPC is immediately opening LPC's, which is a market operation to buy cloves from the growers to let them enjoy the base price set by the government. The method is to "expedite absorption of cloves from the growers," said Wutomo Mandala Putra, general chairman of the BPPC. Later, when prices have stabilized after the harvest season, the LPC's will be closed.

The government's base price for cloves with a 10 percent moisture content is 7,900 rupiah per kilogram. The grower receives 4,000 rupiah immediately. From the balance, 2,000 rupiah are for capital participation in the KUD, and 1,900 rupiah are an obligatory special deposit (SWK) for KUD clove support. In the past, the SWK funds were repaid to growers after the cloves were sold to cigarette factories.

With the opening of the LPC's, the SWK funds will not be repaid to growers but will be paid to the INKUD (Village Unit Cooperatives Headquarters) on behalf of the KUD's where the growers live. "The SWK funds will not be paid to the growers but will be deposited with the INKUD," Jantje said. The SWK funds are needed to support funding of the KUD's so that they can buy cloves.

According to several DPR [Parliament] members, the opening of the LPC's ignores the KUD's as links in the clove marketing chain. "Growers will choose to sell their cloves to the BPPC rather than the KUD's, which always have financing problems," said Abdullah Zainie, deputy chairman for economy and finance of the DPR F-KP [Functional Group Faction].

Kumhal Djamil, chairman of the National Clove Board (BCN) and director general for foreign trade, said the SWK funds are not being paid to growers lest they come in throngs to sell their cloves. If the SWK money were paid to the growers they might be attracted to sell only at BPPC counters.

Besides, Abdullah said, opening the counters is not consistent with the minister of trade's Directive No. 2/306/1990, which stipulated that the purchase of cloves from producers could be done only through the KUD's, and specifically those KUD's selected by provincial teams and confirmed by the respective offices of the Department of Cooperatives.

Jantje said, however, that the opening of the LPC's helped the KUD's, particularly in compensating for their weakness in absorbing clove production. If KUD purchases are sluggish, clove prices at the grower level will fall below the base price. "We feel the policy of opening the LPC's is consistent with, and relevant to, the spirit of government regulations on marketing."

Kumhal said that the opening of the counters had been discussed with the BCN and that they are merely short-term and not in competition with the KUD's. "Every grower selling his cloves through an LPC must first get a recommendation from a KUD saying that the KUD is in

fact unable to buy the grower's cloves," he said. "Don't construe this in other ways."

Clearly, the intention of the BPPC, which has a clove stock of 170,376.2 tons, is good, namely to raise the incomes of clove growers. This is consistent with the spirit behind the establishment of the BPPC, which was done for the sake of growers and KUD's. Nonetheless, the opening of the LPC's adds a link to the clove marketing chain. In the end, this will add cost, which may have to be laid on the growers.

The opening of the LPC's means that the BPPC will need to spend money on operating them. If the purpose is simply to absorb cloves from the growers, why must counters be opened? Would it not be more appropriate for the BPPC to inject funds and use the KUD's? The KUD's are buying small volumes of cloves simply because they are short of money.

Nevertheless, the BCN as an arm of the government will naturally not be rushed into letting the BPPC open LPC's. If the KUD's are unable to absorb the output of clove growers, the growers are the ones who will suffer.

Ramos Increases AFP Budget

92SE0344A Manila DIYARYO FILIPINO in Tagalog
5 Aug 92 pp 1, 2

[Text] President Fidel Ramos added another P [pesos] 800 Million to the budget of the Armed Forces of the Philippines for an aggressive effort to go after the rebel soldiers and communists who refused to accept a final offer of amnesty.

Meanwhile, (Malacanang) Palace announced that the rebels who are currently incarcerated and those still facing litigation will be freed should Congress nullify the validity of Republic Act 1700.

According to Acting Secretary Salvador Enriquez of Budget and Administration, the additional budget for the Armed Forces approved by (President) Ramos and the Cabinet is part of the approved national budget of P330.2 billion for 1993. He stated that the defense sector got the least budget increase—from P29.1 billion to the P29.9 billion budget allocated for the maintenance of peace and order.

In an earlier statement by Representative Jose Yap (LDP [Struggle of Democratic Filipinos], Tarlac), who sponsored a bill that would eliminate punishment of rebels, he explained the substantial expense that has already been incurred on military operations against the communists.

If the CPP [Communist Party of the Philippines] and similar organizations are legalized, he said that government expenditures on insurrection activities will be reduced because their membership will then voluntarily come forward.

According to Department of Justice Secretary Franklin Drilon, while the proposed legalization of such organizations would indeed automatically dismiss cases under the Anti-Subversion Law, he did not think you should eliminate punishment for those who violated Presidential Decree [PD] 1866, the law which prohibits the illegal possession of arms, because this is an ordinary crime.

"However," said Drilon, "if the offense against PD 1866 is associated with rebellion, the penalties pertaining to rebellion may be lifted while only lessening the punishment of the illegal possession of arms."

The Department of Justice submitted yesterday its proposed legislation for review by the Office of the President. The department is also studying the congressional proposals of Representative Yap and Senator Raul Roco.

"When the President has endorsed the proposed legislation, the other proposals to Congress from Yap and Roco may be incorporated in the same bill," Drilon said.

It seems that the proposal of the Cabinet Cluster E which he heads, that deals with national security and political issues, is already approved.

In the Senate, they are already reconstituting the Ad Hoc Committee on Peace, Reconciliation and Unification that will handle all proposals which have anything to do with the insurrection problem as well as all negotiations between government and the rebels.

The choice amongst the congressional members to head the Committee is Senator Wigberto Tanada. It is also quite possible that he would be designated as the Senate's representative to a similar organization, the National Unification Commission (NUC) established by President Ramos.

In the Cabinet, there is a growing support for the President's proposal that the CPP be legalized.

Following Yap, Representative Cirilo Montejo (Lakas-NUCD, Leyte) also proposed a bill which will abolish Republic Act 1700 because hopes have dimmed that the leftists will ever reconcile with government while laws governing insurrection and rebellion continue to be enforced.

He added, it is only appropriate that these laws be abolished in order to achieve full reconciliation and peace in the country.

Rep. Juan Ponce Enrile (NP [Nationalist Party], Cagayan) suggested the speedy abolition of RA 1700 because the issue is no longer the threat to national security but to national peace.

He explained that this law was enacted on 20 June 1957 to provide the government the legal means to deal with subversive groups but it eventually gave way to a reign of terror and violence against the communist rebels.

Meantime, Rep. Yap, also a delegate to the NUC, will be requesting President Ramos to set aside all conditions of amnesty for the rebels.

According to Yap, it denigrates the principles of the communists when conditions are imposed such as surrendering arms so that it inhibits many from accepting the offer of amnesty.

Yap was directed to go to Utrecht, Netherlands to confer with Jose Ma. Sison, the organizer and head of the CPP-NPA [National Peoples Army].

The meeting is scheduled for 21 August and Yap hopes to convince Sison to return to the Philippines to discuss the ending of 23 years of insurrection in the country.

High Ranking NPA Couple Arrested

92SE0344B Manila DIYARYO FILIPINO in Tagalog
5 Aug 92 p 1

[Text] A couple who occupy high positions in the Communist Party of the Philippines-National Peoples Army (CPP-NPA) were arrested two days ago in Calamba, Laguna by members of the Armed Forces of the Philippines (AFP).

Brought to the authorities in Camp Aguinaldo were suspects Geronimo Pesetes, secretary of the Central Luzon Commission of the CPP-NPA, and Celia Licanag-Pesetes, head of the Finance Bureau of the Central Luzon Commission.

There are already about 15 high-ranking officers of the CPP-NPA who have been arrested by the military within a week-long operation in Manila and suburbs. This past Monday, 12 officials of the Cordillera Regional Party Commission of the CPP-NPA were arrested by members of the Philippine National Police (PNP) in safehouses in Caloocan and Quezon City.

They were, however, released immediately as a show of support for the reconciliation program of President Fidel Ramos towards national unity.

A former priest known as Fr. Eddie Balicao, the provincial secretary of the CPP-NPA in Mountain Province, was also arrested by the PNP recently.

There is a P [pesos] 500,000 reward for the capture of Balicao who is also a member of the executive committee of the CPP-NPA in the country.

Meantime, five members of the NPA surrendered in the last two days to the ground forces.

According to Lt. Vincent Bacarro, commander of the 21st Infantry Battalion, those who surrendered to him

two days earlier were Zona Lasam, alias Ka Glen of Liwan Norte, Enril Cagayan, and Alberto Cuevas, alias Ka Bernard of San Carlos City, Negros Occidental.

He said that Bebot Allen Sigan, alias Ka Jeffrey; Artemio Moralta, alias Ka James; and a certain Ka Destre, all from Rizal, Cagayan also surrendered yesterday to the 17th Infantry Battalion.

According to the rebels, they surrendered after coming to the realization that there was no future in the ideology they were fighting for.

Related to this, the members of the 45th Infantry Battalion found NPA equipment in Barangay Paguang in Kalinga, Apayao last Saturday.

According to Lieutenant Colonel Ricardo Nobleza, Commander of the 46th Infantry Battalion, three improvised shotguns, land mine accessories, food and medicine were found.

Nobleza said that they also found the tunnel leading to an underground camp not too far from their own military base.

Also surrendering recently to government troops were Joel Maiyao, alias Ka Rony; and Rosino Balog, alias Cenagen, both active members of RYG-CRPC [expansion unknown] Unit of communist rebels headed by Dasto Dunasan, alias Linga, after a prolonged campaign.

POLITICAL

New Premier Stresses Fighting Inflation As Crucial Goal

932E0009A Ho Chi Minh City TUOI TRE CHU NHAT in Vietnamese 27 Sep 92 pp 1, 20

[Interview with Premier Vo Van Kiet by Tam Chanh, a TUOI TRE reporter; place and date not given: "Fighting and Reducing Inflation As a Premise for Development in 1993"]

[Text] On 24 September, the Ninth National Assembly elected Vo Van Kiet, member of the Political Bureau, to be the new premier. After having solemnly taken the oath of office, the premier held a news conference. Following were the answers he gave to our TUOI TRE reporter.

[Tam Chanh] What is the program of action of your new government?

[Kiet] I will, on behalf of the government, report to the National Assembly on the program of action of the new government following its approval of the appointed members of government, perhaps next week.

[Tam Chanh] Can you let us know what will be your government's topmost goal in resolving the socioeconomic problems between now and the end of the year?

[Kiet] One of the important goals is to fight and reduce inflation. We recently tried to resolve the problem and succeeded in getting some encouraging results. The year is about to end in just over three months; if we strive to attain this goal, it will open up very important premises for 1993.

[Tam Chanh] One of the most urgent aspirations of voters at the present time is to resolve the national ill of corruption and smuggling. What are your government's views and solutions in regard to eliminating this ill?

[Kiet] Corruption, smuggling, and social negatives are painful problems of society as a whole. This is a very complex matter which is not new but has been around for some time. The state has adopted many policies. The question now is to determine responsibilities and to concentrate upon carrying them out. The best measure to resolve it is for all sectors concerned to closely and effectively coordinate their work so as to fulfill the task. More particularly, the capabilities and responsibilities of the law enforcement organs must be strengthened. Another important measure is to heighten the personal responsibilities of heads of administrative units. Each component of the government must be responsible for the cleanliness of civil servants in the sector or field which it is in charge of. Each local people's committee and its chairman must be responsible for the cleanliness within the committee and for corruption in their locality.

[Tam Chanh] Please let us know how you would handle the cases of negative acts reported by the press.

[Kiet] First the government will consider the cases brought up by the press. If they are accurate, it will welcome the reports and within its power firmly fight these violations of the law. I think that the mass communications organs must actively contribute and at the same time motivate the people to actively contribute to the important task of fighting corruption.

[Tam Chanh] Young voters in particular, and people from all walks of life in general are very interested in the government's policy on building and development of talent. Can you tell us about some of the actual work you are doing to satisfy this need?

[Kiet] The government is setting up an advisory council on scientific and industrial policies. This council will advise the premier and government in regard to the policies on talent, on scientists. These policies also have to do with training talented people and adopting a policy mechanism needed to develop talent for the country. Not only talented people inside the country but also those among the Vietnamese living abroad.

[Tam Chanh] The American president has recently extended the trade embargo for another year. Does this event have any effects on the renovating process in our country?

[Kiet] We have gradually moved toward renovation, with the world recognizing that we have made an important success. The renovation which has been continuing smoothly shows that it does not completely depend on the U.S. trade embargo or the lifting of this embargo. Our success also does not completely depend on gradual improvement of the process toward normalization of U.S.-Vietnam relations. While the trade embargo creates difficulties for us, it does not fail to create difficulties for America also. The American embargo does not limit our full relations with our neighbors, as well as the full and expanding relations between us and other countries. A lifting of the American trade embargo will create favorable conditions for us to promote development, but it does not mean that we will not have new difficulties and complex situations. Nevertheless, our policy is that we are doing our very best to restore normal relations between Vietnam and America, not only for the Vietnamese and American interests but also for the interests of stability in the region. I reaffirm here that our renovation is not dependent on the U.S. trade embargo.

[Tam Chanh] The bill on governmental organization that the National Assembly is about to pass sets up a system in which the premier reports to the people on important issues in various ways, including making statements to the press. Can you tell us how your relations with the press are now and will be in the time to come?

[Kiet] In the capacity of chairman of the Council of Ministers, I have recently ordered the Office of the Council of Ministers to maintain regular contact with the press, to provide it with information, and to attentively listen to its opinion reflecting the problems of the

country and people. I visualize this as a very good relation that will be maintained. The office of the new government will hold weekly sessions to exchange views on the situation with the mass information organs and to attentively listen to the opinions of journalists. If there are important issues that journalists want to tell the government immediately, I ask them to feel free to come and knock at our door.

National Assembly Discusses, Votes on Government Structure

932E0013A Ho Chi Minh City TUOI TRE
in Vietnamese 1 Oct 92 pp 1, 7

[Article by Tam Chanh and Huy Duc: "The 10th Day of Work of the First Session: The National Assembly Discusses and Votes on Government Structure"]

[Text] Immediately after passing the full text of the Law on Government Organization, the National Assembly voted on the government structure. According to a report by the prime minister, the government would be composed of 20 ministries and six agencies of ministerial level. In his report, the prime minister proposed that the Ministry of Agriculture and Food Industry should be merged with the Ministry of Forestry into a new setup called the Ministry of Agriculture, Forestry, and Rural Development. He also proposed that the Ministry of Education and Training should be renamed the Ministry of Education; the Ministry of Construction renamed the Ministry of Construction and Urban Development; the State Commission for Sciences and Technology renamed the Ministry of Science, Technology, and Environment; the Ministry of Trade and Tourism renamed the Ministry of Trade (with a General Department of Tourism to be set up separately); the Ministry of Communications, Transportation, Post and Telegraph renamed the Ministry of Communications and Transportation (with a General Department of Post and Telegraph to be set up separately); the Ministry of Culture, Information, and Sports renamed the Ministry of Culture and Information (with a General Department of Sports to be set up separately); and the Government Organization Commission renamed the Ministry of Organization and Administration. The prime minister also suggested elevating the Nationalities and Mountain Regions Commission to the status of an agency of ministerial level and changing the name of the State Cooperation and Investment Commission to the Foreign Investment Commission. Following animated discussions, the National Assembly unanimously voted for retaining the names of the ministries and agencies of ministerial levels in accordance with the prime minister's report without changing their functions and duties. With regard to his proposal to merge the Ministry of Agriculture and Food Industry with the Ministry of Forestry, 196 of the 388 deputies present voted for and 182 voted against it while 10 abstained. Thus, according to National Assembly regulations, although more deputies went along with the prime minister's proposal, the vote still lacked the majority required to become an ratification resolution.

The National Assembly also voted for the proposal that there should be three deputy prime ministers.

The National Assembly heard the proposal of new government personnel presented to it by the prime minister for ratification. According to this proposal, the new government would retain the composition of the old Council of Ministers with the exception of the Ministry of Energy, the Ministry of Public Health, and the Government Office. Mr. Thai Phung Ne was recommended by the prime minister as the new energy minister, Mr. Nguyen Trong Nhan as the new public health minister, and Mr. Le Xuan Trinh as the new head of the Government Office. The prime minister also proposed Messrs. Phan Van Tiem and Ha Quang Du as ministers in charge of a number of government affairs.

Today, 1 October, the National Assembly will ratify the government makeup and hear the prime minister speak on the new government's program of action.

Passage of the Law on Government Organization

The Draft Law on Government Organization was discussed six times in groups of deputies and for three days at the conference hall. On 29 September, the National Assembly adopted only 11 of the 42 articles of the draft law. The legislature then put in an extra day's work and passed all the 42 articles on 30 September.

Broadening the Government's Powers

During discussions, many deputies held that the stipulation of Article 36 (in the first Draft Law on Government Organization) meant a restriction of the prime minister's powers. The Constitution stipulates that *only in dealing with important issues* is the government required to call for a collective vote in accordance with the "principle of democratic centralism." But Article 36 (in the first draft) also prescribed that *at all government meetings, decisions must be made according to a majority vote*. Deputies suggested that Article 36 should be revised to read: Only important issues as determined in Article 35 (in the first draft) must be decided according to a majority vote. As a result of this proposal, in the third draft, Article 34 (which replaced Article 35 in the second draft) was clearly revised to read: *Only important issues as determined in Article 19 of this draft must be decided by a vote according to the principle of democratic centralism.* This article was passed by a 368-6 vote.

In Article 27, the draft law stipulated that ministers are empowered to suspend the implementation of those regulations issued by people's committee chairmen that are at variance with ministerial regulations. Not a few opinions (most of them expressed by a number of provincial people's committee chairmen) objected to this stipulation. When this article was put to the vote, it drew the largest number of dissenting ballots, with 48 deputies voting against it and 10 abstaining. However, desirous of seeing law and order uniformly maintained nationwide, another majority of deputies—331 of them—cast their ballots in favor of keeping this power for ministers.

Numerous deputies suggested including *inflation control* in the Law on Government Organization as a government duty. Deputy Nguyen Thi Binh (vice president of the state) maintained that this is an important duty of the government and that it should be added to the law, because if inflation is not controlled, it will seriously affect the economy and social life. However, according to Deputy Tran Du Lich (from Ho Chi Minh City), "Fighting inflation is a natural course of action of the government. On the other hand, inflation is only a circumstantial issue and should not be included in the law. This is because once inflation is gone and the government no longer needs to fight it, the government may be considered to be breaking the law." Many deputies subscribed to this view, but an equally large number of lawmakers disagreed with it. Chairman Nong Duc Manh put the issue to the vote, which resulted in 202 deputies opposing inclusion of inflation control in the law and 161 lawmakers favoring it. Therefore, the National Assembly approved exclusion in accordance with the majority.

On the Prime Minister's Power To Dismiss People's Committee Members

On the morning of 30 September, while discussing the passage of Article 20, numerous deputies suggested adding to Section 5 of this article the prime minister's power to release from duty or dismiss even members of provincial and municipal people's committees, not only chairmen and vice chairmen of these committees as stipulated in the draft law. Many other opinions objected to this proposal on the grounds that the prime minister's power to dismiss people's committee members is not inscribed in the Constitution. Deputy Nguyen Thi Tam Dan (vice chairperson of the Hanoi Municipal People's Committee) contended that since people's committee members are normally directors of various services under the jurisdiction of localities, the power to release them from duties or to dismiss them should be vested in chairmen of provincial and municipal people's committees.

Because of the divergent views, the National Assembly had to put this issue to the vote, which resulted in 213 deputies voting for keeping the power to release from duty or to dismiss people's committee chairmen and vice chairmen only as inscribed in the draft law; 134 voting for inclusion of the power to release from duty or to dismiss people's committee members; and 42 abstaining. This outcome already produced a majority vote. But Deputy Huynh Van Binh (from Dong Nai) argued that the majority are not always right. This is because, according to him, people's committee membership and service directorship are two different positions; people's committee members are elected by people's councils and ratified by the prime minister, therefore their dismissal must also be decided by the prime minister. Chairman Nong Duc Manh consulted the National Assembly, and 213 deputies proposed putting the issue to the vote again. The result of the second vote still showed that 251 deputies suggested keeping the stipulation as it was

inscribed in the draft law. By late midday on 30 September, 10 deputies had sent letters to the National Assembly session presidium proposing reconsidering the issue. In the afternoon, the National Assembly had to take another vote to give the prime minister the additional power to dismiss people's committee members because the majority are not always right.

Although 73.3 percent of the Ninth National Assembly deputies are new faces and the Law on Government Organization was the first law to be adopted by this legislature, an atmosphere of frankness prevailed at the debates and the law was eventually passed. This was a great effort. Deputy Nguyen Rang observed: The Ninth National Assembly deputies are even bolder in their statements than the eighth legislature. Speaking to a TUOI TRE correspondent immediately after the National Assembly passed the Law on Government Organization, Chairman Nong Duc Manh remarked: "The deputies have worked in a very democratic and responsible manner."

Deputies Debate on Draft Laws Noted

932E0004.4 Ho Chi Minh City TUOI TRE
in Vietnamese 10 Sep 92 pp 1, 2

[Article by Tam Chanh: "The Delegation of National Assembly Deputies From Ho Chi Minh City Contributes Opinions on the Draft Laws on Organization of the Government, People's Courts, and People's Organs of Control: There Still Is Confusion in the Distinction Between Centralization and Decentralization of Power"]

[Text] On 9 September, the delegation of National Assembly deputies from Ho Chi Minh City discussed and heard suggestions on the Draft Law on Government Organization, the Draft Law on Revising the Law on Organization of People's Courts, and the Draft Law on Revising the Law on Organization of People's Organs of Control.

Regarding the Draft Law on Government Organization, Mr. Huynh Ngoc Dien, an Eighth National Assembly deputy, held that this draft law was more progressive and succeeded in affirming the system of individual responsibility. However, according to Truong Van Da, vice chairman of the Ho Chi Minh City People's Council, confusion still could be seen in the distinction between centralization and decentralization of power. Do Hoang Hai, a Ninth National Assembly deputy, maintained that according to this draft law the prime minister still has very limited power, and even has less decision-making power than ministers. The draft law stipulates that ministers are the persons with the highest authority in the domains and sectors under their charge, while the prime minister almost has to submit to the majority in the government (the draft law stipulates that government decisions are to be made in accordance with the majority of government members). Deputy Do Hoang Hai proposed that it should be made clear that the prime minister is empowered to make decisions except in the

cases of the eight important tasks specified in Article 35 of the 1992 Constitution, which must be decided according to the majority of government members. Deputy Do Hoang Hai also suggested that regulations should be laid down on the resignations of the prime minister and ministers or on holding a vote of confidence on them when they must bear indirect responsibility for incidents that have serious consequences such as the train derailment and the recent collapse of the manganese mine in Cao Bang. Lawyer Trinh Dinh Ban discovered that in the makeup of Law on Government Organization, the institution of the president of the state was "forgotten." In view of the duties of the president of the state stipulated in the Constitution, he contended that since the president of the state plays the role of the chief of state and heads the executive branch, a legal mechanism should be instituted to enable him to carry out his duties as well as to control his powers. Mai Van Bay, an Eighth National Assembly deputy, suggested that the power of the prime minister and ministers should be increased and that deputy prime ministers should not be given too extensive power. According to Deputy Chu Pham Ngoc Son, in stipulating that ministers are the persons having the highest authority in the sector under his charge, the draft law has overstepped the stipulations of the Constitution. Deputy Pham Quang Du proposed giving ministers and the prime minister the power to appoint cadres. Therefore, relations between the party and government must be clearly defined and party leadership, especially over cadre management, must be renovated.

Concerning the Draft Law on Revising the Law on Organization of People's Courts, the key point brought up for debate was how to ensure the principle of the courts' independence in adjudication. This issue generated two different views on the decentralization of court management and on organization of the courts at various levels. Lawyer Nguyen Thanh Binh held that for judges to enjoy independence in adjudicating, these conditions must be observed: Judges must not be dependent on the localities (for this reason, judges must be appointed by the higher echelons), and must not be administratively dependent on the upper-level courts (therefore, the upper-level courts should not be allowed to manage the lower-level courts in all respects). Professor Ly Chanh Trung held that the fundamental point was that there must be good judges. For this reason, the law must clearly determine the standards of judges and their working conditions. He also suggested a clear determination of the jurisdiction of military courts. In his opinion, any soldier who breaches the law must be tried by a civilian court and soldiers should not be turned into a special class of citizen. Mr. Tran Quoc Thuan, secretary of the Ho Chi Minh City People's Council, suggested that the courts should be organized according to their level of adjudication, that the supreme court should only review cases and should not try cases as a court of first instance or as an appeal court as it does now. Deputy Le Khac Binh proposed that the term of office of judges should be limited and that judges should be

considered civil servants for life. He also suggested that a criminal police service should be set up to enforce execution of sentences and that the judiciary branch should be entrusted with the management of this task as well as the management of local courts. Deputy Do Hoang Hai raised the question of the need to quickly set up economic courts, labor courts, and in particular administrative courts. He maintained that administrative courts are urgently needed to check the violation of democracy and the bullying of the masses by organs of public authority. He also proposed ending the state of the supreme court giving guidance on law enforcement because this could easily lead to an arbitrary implementation of laws.

Regarding the Draft Law on Revising the Law on Organization of People's Organs of Control, Deputy Le Khac Binh maintained that nothing had changed except the clause stipulating that local organs of control must report to the people's councils at the same level on the status of law enforcement and answer people's councilors' questions. According to him, the draft law did not determine the responsibility of the people's organs of control while these organs have extensive power. In this case, who would supervise the organs of control? Mr. Le Khac Binh added: The draft law has also not laid down regulations on a mechanism and organization to meet this demand. Mr. Tran Quoc Thuan stressed the requirements on the standards of members of organs of control and he contended that the Law on Organization of Organs of Control must clearly determine these standards, in particular those concerning legal knowledge and ethics.

Article Compares New Government Structure, Council of Ministers

932E0013B Ho Chi Minh City TUOI TRE
in Vietnamese 6 Oct 92 p 2

[Article by Huy Duc: "The Government: Points That Are Different From the Council of Ministers"]

[Text] On 30 September 1992, the First Session of the Ninth National Assembly passed the Law on Government Organization. This law replaces the Law on Organization of the Council of Ministers adopted by the first session of the Seventh National Assembly on 4 July 1981. What are the differences between the current organization of government and the past organization of Council of Ministers? And under the new law, has the government been given sufficient power to fulfill its responsibilities?

Article 1 of the Law on Organization of the Council of Ministers said: *The Council of Ministers is the government of the Socialist Republic of Vietnam*. However, the organization of the government in the form of a Council of Ministers had a great many points that were different from the government set up in accordance with the Law on Government Organization adopted recently.

On the Form of Organization

Article 2 of the Law on Organization of the Council of Ministers stipulated: *The Council of Ministers is elected by the National Assembly in the first session of each legislature; members of the Council of Ministers are selected mainly from among the National Assembly deputies.* However, according to Article 3 of the Law on Government Organization, only the prime minister must be a National Assembly deputy and shall be elected, released from duty, or dismissed at the recommendation of the president of the state. The prime minister shall form the government (by appointing deputy prime ministers and ministers) and the appointments of dismissals of government members must be ratified by the National Assembly or its Standing Committee.

The Council of Ministers was composed of ministers and the Standing Committee of the Council of Ministers (which comprised the chairman and vice chairmen of the Council of Ministers). The chairman of the Council of Ministers was described in Article 25 as the *head of the Council of Ministers*, but he did not constitute an echelon of leadership because the law did not vest him with personal powers and because only the decisions made by the Council of Ministers or its standing committee held sway. As for the government, it is made up of ministers and the prime minister, with deputy prime ministers serving as assistants to the prime minister.

To the local echelons, the Council of Ministers was an agency that ensures conditions for people's councils at all levels to perform their duties and exercise their powers as organs of state authority in localities, and leads people's committees in fulfilling their duties as executive organs of the people's councils (Article 20 of the Law on Organization of the Council of Ministers). However, according to the Law on Government Organization, these relations are established on the principle that *lower-echelon administrative organs must submit to the leadership and seriously abide by the decisions of the upper-echelon administrative organs* (Article 16). The government's power is aimed at ensuring *unified operations of the state administrative system from the central down to the grass-roots levels* (Article 16).

The Prime Minister's Powers

In the past, the chairman of the Council of Ministers signed council decisions and decrees only in his capacity as a representative of the Council of Ministers. Now, according to the current Law on Government Organization, the prime minister is empowered to sign documents in his personal capacity so that he can exercise his powers and fulfill his responsibilities.

There are seven important issues determined in Article 19 of this law. They are: *the government's annual program of action; draft laws; budget estimates and allocation; financial and monetary policies, and important security, national defense, and foreign relations issues; splitting or merger of provinces and ministries (in plans*

submitted to the National Assembly); and the government's reports to the National Assembly. With regard to these issues, the government must hold collective discussions and make decisions in accordance with the majority. As for other issues, the prime minister may make his own decisions.

Under the past system of Council of Ministers collective work, the votes of the chairman of the Council of Ministers and ministers had equal value. Under the new government collective work system, it is stipulated that if the number of votes are equally splitted on an issue, the side the prime minister votes for shall prevail.

The prime minister is empowered to suspend implementation or to propose to the National Assembly Standing Committee the abrogation of those resolutions of people's councils and those decisions of ministers, people's committees, and people's committee chairmen that are at variance with the Constitution, laws, and documents of upper-echelon state organs (Article 20). The prime minister also has the power to appoint, release from duty, or dismiss vice ministers; to transfer, dismiss, or release from duty chairmen, vice chairmen, and members of people's committee of provinces and municipalities directly subordinate to the central government.

The Powers of Ministers

According to Article 24 of the Law on Government Organization, ministers are empowered to issue directives and circulars. The decisions, directives, and circulars on state management issued by ministers take effect on a national scale in the respective sectors and spheres of activities under the charge of the ministers concerned.

Regarding those decisions of provincial people's committees or their chairmen that are at variance with documents issued by ministries, ministers are empowered to suspend their implementation and are accountable for such action.

According to the Law on Government Organization, the concept of "ministries in charge" of state-operated businesses belonging to their respective sectors remains in effect. Prime Minister Vo Van Kiet said: The direction we must strive to follow is to shift the functions of various ministries from those of an upper-echelon management agency vis-a-vis directly subordinate businesses to those of state management within respective sectors or spheres of activities vis-a-vis all society. The prime minister said that, if this is done, several other ministries can be streamlined or abolished. However, this task remains to be carried out in a number of years to come.

Does the Government Have Sufficient Power To Carry Out Its Duties?

During the time the National Assembly was considering passage of the Law on Government Organization, Prime Minister Vo van Kiet had very candid exchanges of views with the press on this issue. A *Voice of Vietnam* correspondent asked: Mr. Prime Minister, during your

tenure as chairman of the Council of Ministers, did you ever feel you lacked power? Answering this question, Prime Minister Vo Van Kiet said: Sometimes I did feel that some tasks could have been accomplished more quickly if I had been allowed to take responsibility for them or to make my own decisions. But, acting in accordance with principle, I still had to hold discussions and to solicit collective opinions. A TUOI TRE correspondent asked: Mr. Prime Minister, do you have any comment on the fact that over the past few days, the majority of the National Assembly have proposed giving broader powers to the government and prime minister? Prime Minister Vo Van Kiet replied: On the basis of the collective work system, somebody holds that if a leader always has to act in accordance with the majority, there will be limitations and delays. But sometimes the collective work system makes it possible to muster the intellect of many people. I am very grateful to the National Assembly. But I do not think the government will be vested with broader powers than those prescribed in the draft law. That level of power is in line with the 1992 Constitution and aimed at ensuring the implementation of a very important work principle of our party, namely the principle of democratic centralism. Minister Ho Te also remarked at an interview with a TUOI TRE correspondent that according to the new law, the government's powers have been broadened. In reply to the question whether the government has been given sufficient power to perform its duties under the new law, Minister Ho Te said: One cannot demand power according to one's subjective desire. The level of power as prescribed by the draft law is suitable for the government's capability to respond and the current social standards. Asked about the concerns expressed by a number of National Assembly deputies regarding whether the government will have the initiative in exercising its power of appointing, dismissing, and transferring cadres, Minister Ho Te said: I agree that all cadres must be managed and trained by the party. But to ensure the government's right to take initiative in cadre affairs, the party should only provide cadre sources. As for the selection and appointment of cadres to specific positions, the party should exchange views with the state and let it make its own decisions in accordance with the Law on Government Organization.

Voters Contribute Opinions for National Assembly Meeting

932E0004B Ho Chi Minh City TUOI TRE
in Vietnamese 12 Sep 92 p 1

[Article by Tam Chanh: "Contributing Opinions to the First Session of the Ninth National Assembly: The Standards of Various Positions in the Leadership Apparatus Should Be Thoroughly Discussed"]

[Text] On 10 September, at the office of the Union of Scientific and Technical Associations of Ho Chi Minh City, the delegation of the city's National Assembly deputies met with intellectual voters in preparation for the first session of the Ninth National Assembly.

One of the first tasks of the new legislature is to set up the various working apparatuses of the National Assembly. Voter Le Minh Triet suggested that the National Assembly should thoroughly discuss the standards of various positions in the national leadership and management apparatus. According to him, attention should be paid to electing capable deputies to the various National Assembly committees so that they can put forward National Assembly policies and supervise their implementation.

Regarding the socioeconomic situation, Professor Le Van Sau spoke about the unhealthy or decadent symptoms in society. These included the phenomenon of a component of the younger generation indulging in dissipation or even taking an attitude showing that crime is almost welcome, as we saw at the trial of the Do Hong Le gang of robbers.... He maintained that the National Assembly must devote much time to resolving the problems of youth. Mr. Le Minh Triet proposed that the real effectiveness of foreign investment, including its cultural and social effects, should be evaluated in order to correctly determine the direction of our development. Ms. Xuan of the Economic Science and Management Association requested that the National Assembly should compel the Finance Ministry to include the country's assets in the national budget and to analyze and appraise the effectiveness of the use of these assets. According to her, a considerable amount of national property was lost recently. Mr. Nguyen Lap suggested that the National Assembly should investigate into the responsibility of the minister of construction in the various housing scandals in Ho Chi Minh City, especially the sales of houses at official prices. He also criticized various National Assembly deputies for failing to promptly express their views on the serious land and housing scandals and on social evils.

According to the Council of State's summons, the coming National Assembly session will be held from 19 September to 8 October. National Assembly deputies will elect various leadership organs of the state such as the president of the state, the prime minister, and National Assembly leaders. They will also adopt the Draft Law on Government Organization, the Draft Law on Organization of People's Courts (revised), and the Draft Law on Organization of People's Organs of Control (revised); examine the government report on the situation of socioeconomic development in the first nine months of this year; and express their views on revising the Land Law and the Law on National Borders.

The delegation of the Ninth National Assembly deputies from Ho Chi Minh City held its first meeting on the afternoon of 10 September. Deputies discussed preparations for the first National Assembly session and exchanged views with Eighth National Assembly deputies on the working experience of National Assembly deputies from Ho Chi Minh City in the past legislatures.

The delegation of Ho Chi Minh City National Assembly deputies elected Deputy Truong Tan Sang as its head

and Comrade Le Khac Binh, chairman of the city's People's Council; Major General Nguyen Rang, chief of the city's military command; and Dr. Nguyen Thi Ngoc Phuong, director of Tu Du Hospital, as its deputy heads.

City Voters Express Opinions on Socio-Economic Issues

932E0003A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13, 14 Aug 92

[Article in two installments by Tran Binh Long: "Message From Ho Chi Minh City Voters to the Ninth National Assembly: Pressing Social Issues That Should Be Resolved at an Early Date"]

[13 Aug 92 pp 1, 5]

[Text] One of the successful aspects of the recent Ninth National Assembly election in Ho Chi Minh City was the fact that many local voters had enthusiastically and candidly contributed opinions on various issues related to building the people's lives, stabilizing the situation, and developing the country. With over 200 contacts between more than 38,000 voters and various National Assembly election candidates, this was a broad democratic political drive of important significance to the activities of the Ninth National Assembly and its deputies. Almost all issues of social life were touched upon by voters in their statements. However, there still is a number of basic, pressing issues that should be raised immediately with the National Assembly and the administration at all levels and should be dealt with within the spheres of responsibility of various organs.

1. Concerning the economy: Suppressing contraband, adjusting the tax policies, and increasing investment in agricultural production.

With regard to the economy, it can be said that an outstanding issue that drew the voters' utmost attention and comments at nearly all of their meetings with the candidates was the current spreading of smuggled goods. It is worth noting that not a few state agencies themselves have directly participated in the smuggling of foreign goods or lent a hand to private traders in this activity (a recent upsurge was the smuggling of goods made in Thailand and China). This has seriously affected goods production in the country, upset the market, and bred much negativism in society and the state management apparatus. At its recent session, the Eighth National Assembly dealt with this state of affairs and set forth a number of measures to check contraband, but up to now, the smuggling suppression drive has not yielded the results expected. Voters requested that the Ninth National Assembly should clearly determine the causes of this situation, make stern decisions, and adopt effective measures to implement them in antimuggling drives. A number of voters raised the question of looking into the responsibility of the National Assembly and Council of Ministers for the present state of smuggling activities.

The second economic issue raised by voters as a petition was that the state should reconsider the current system of tax policies. Not only the voters in the suburbs but also those in the urban areas of the city demanded that the National Assembly readjust the agricultural tax rate (currently fixed at 10%) because this rate does not conform with the real state of agricultural production, with the peasants' living conditions, and with the need to encourage agricultural production in the present stage. This irrationality has had a profound effect on many aspects of the countryside and on the field of agricultural production in general. Voters also brought up a number of specific irrationalities in other kinds of tax such as income tax (which lacks the conditions for a fair, serious implementation in society), special consumption tax, export tax, import tax, and so forth.... Two key issues stood out from voters' petitions about the production investment policy, namely the need to work out concrete, rational policies on the development of small industry and handicrafts and on investment in developing the material and technical bases of agricultural production. Ensuring the development of small industry and handicrafts essentially relates to many socioeconomic policies such as those on contraband suppression, taxation, investment, price support, finance, banking, scientific and technical development, administrative management of the economy, and so forth.... The two key factors in this effort are a rational financial and banking policy and other policies aimed at bringing into full play all the potential of various economic sectors on all scales (large, medium, and small) from the center to the grass roots in accordance with a stable, appropriate structure for the orientation of economic development. In the agricultural sector in Ho Chi Minh City in particular, at present, adequate investment has not yet been made to ensure basic material and technical conditions such as engineering, water conservancy, electricity.... Moreover, recently, various projects in support of agricultural production proved inefficient, even wasteful, and out of step with the current requirements.

2. Concerning social welfare: Ensuring the livelihood of laborers and families credited with services to the revolution, improving the wage system, and resolutely opposing social evils.

The development on unhealthy social grounds of an increasingly widespread and palpable state of differentiation between the rich and the poor and among the different classes is a question that has incensed large numbers of voters. Many of their opinions focused on dissecting the irrationality of this state of differentiation, which is reflected in the fact that a number of people in society have grown rich owing to their speculative and profit-seeking activities, their smuggling and other acts violating law and order, their fraudulent business tricks, their exploitation of the loopholes in state management, and their corrupting of society in many respects, including the speedy development of the negative phenomena to an increasingly sophisticated and serious state. Meanwhile, the living standards of the majority of

laborers, though better than before, still remain low. Unemployment has constantly put heavy pressure on society. The issues of improving the wage system and creating jobs have been raised for a few years now, and the Eighth National Assembly showed definite concern about them (for example, the question of improving the wage system was discussed at several National Assembly sessions). However, this problem has not yet been definitively and radically resolved yet. In view of this general situation, voters suggested that, first of all, the National Assembly should concentrate on implementing various social policies in a really satisfactory manner to ensure the livelihood of the families credited with services to the revolution (including the implementation of various social programs such as the ones aimed at building houses for war invalids and families of fallen soldiers, reducing poverty, providing social welfare...). It should also concentrate on radically improving the wage system; in the immediate future it should focus on the welfare of pensioners, members of the Armed Forces, teachers, cadres, public health service personnel, salaried people in the administrative management sector, and people doing hard work. In addition, voters also made a number of other specific demands concerning particular sectors and circles. For example, concerning the Hoa people and people of other nationalities, the special features of their cultures should be developed; concerning students, their scholarships should be increased, overseas study rationally encouraged, and jobs created for college graduates; concerning women, preferential treatment should be clearly defined in various labor policies, political and social interests already determined by law should be protected, supplemental education provided, health care given on a priority basis, and so forth; and concerning religion, the essence of the interests and activities of various religions as determined in the 1992 Constitution should be concretized at an early date. With regard to the industrial and commercial circles (in the nonstate economic sector), the key issue is to ensure the stability of economic policies, to protect domestic goods production, to promote equality in economic activities, and to develop all production and business capabilities.

At nearly all their meetings with candidates, voters harshly criticized the spreading of social evils. In Ho Chi Minh City, over the past few years, prostitution has become rampant. A number of large-scale "sex tour" channels have been uncovered. Brothels and prostitution agencies have sprung up more and more blatantly and openly not only in privately-owned restaurants and inns but also in big state-owned hotels. Dissipation, extravagance, and even debauchery have become a bad habit of many negative elements, including a number of degenerate and deviant cadres. Yet, the administration at all levels has still not resolutely applied effective preventive measures. In addition, there is also the state of lax management in culture, which has resulted in many highly damaging consequences for society, such as the showing of pornographic and violent movies, the circulation of reactionary and decadent songs and musical

compositions, and the propagation of nonartistic, non-cultural forms of cultural activities, thus polluting the atmosphere of social life. Many of voters' opinions unanimously proposed that the National Assembly should hold sessions to discuss these stinging problems exclusively in order to definitively and radically resolve them in the immediate future.

3. Concerning the cultural life, public health service: Ensuring the conditions for implementing the law on making elementary education compulsory, setting up hospitals for free medical care, increasing investment for grass-roots public health services, and restoring order in cultural and artistic activities.

Voters touched on numerous educational issues, but what many of them suggested is that the National Assembly should consider at an early date the need to create conditions for universalizing elementary education at all costs. At present, many places have imposed so many forms of financial contribution that although school fees are not collected, pupils end up paying even more in reality. A great many pupils have had to quit in the middle of the school year, and numerous children of poor working families cannot afford schooling. There is an enormous disparity in educational benefit between the urban and suburban areas. The compensation system for teachers and the policy on making investment for educational establishments and equipment in the suburbs are woefully inadequate. This is a difficult problem that has remained unsolved for many years. If this situation continues to drag on, it will restrict the development of a large number of laborers' children and will hamper the efforts to achieve the goals of the human strategy set forth in the Platform for National Construction. In formulating educational programs, the National Assembly should pay attention to reexamining the educational reform program to promptly adjust the existing shortcomings. There should be unified management and implementation of various educational and training programs to avoid arbitrary application of nonscientific and irrational concepts that might directly affect the various stages of pupils' learning. Due importance should be attached to the teaching of ethics and civics right at the elementary education level. Voters also requested that the National Assembly should carry out study at an early date to adjust the budget for education and to ensure adequate investment to achieve the goals of education set forth by the National Assembly.

Concerning the present state of public health care and medical examination and treatment, all voters focused on bringing up the deplorable state of hospital fees being too high compared to the median income in society. The policy of hospital fee exemption or reduction has not been scrupulously implemented, causing considerable difficulties to many people, especially pensioners, persons credited with services to the revolution, and persons who are too poor. Voters from the rural areas requested that hospitals for free medical care should be built immediately to serve poor peasants. A number of voters raised the question of the "need to consider public health

care a humanitarian issue, a social policy that should be increasingly broadened and elevated to raise the level of medical benefit for all members of society, thereby meeting the requirement of bringing into full play the superiority of the socialist system." Health insurance was a measure welcomed by many voters who suggested that the state should implement it at an early date; but the state should study ways to apply it in an appropriate manner to poor working people.

Concerning culture, voters concentrated on criticizing the state of lax management of cultural affairs in the past. The printing and publishing of bad, noxious cultural products have been openly carried out. Profit-seeking speculative activities undertaken through the publishing and distribution of decadent publications and video tapes and reactionary songs, and through the organization of phony cultural activities with unhealthy, poisonous, and corruptive contents for financial gains... have taken place for several years now; but not only have they remained unchecked but also have tended to increase. Voters requested that the sectors in charge of cultural affairs should report to the National Assembly on the situation and causes of the state of cultural management mentioned above and on measures to be taken to overcome it. Voters also suggested that the National Assembly should issue a resolution on restoring order in cultural affairs and creating a healthy environment for cultural activities in society. Many voters proposed that legal documents should be issued to protect and develop the quintessence of national culture as stipulated in the Constitution.

[14 Aug 92 p 2]

[Text] Restoring Law and Order: Resolutely Struggling Against Corruption

From the first contact between voters and candidates to the Ninth National Assembly (in Binh Thanh on the evening of 29 June) to their last meetings on 14 July, the struggle against corruption was one of the foremost and burning issues that drew the attention and the harshest criticisms from voters in Ho Chi Minh City. Many voters cited the reality of various social activities to prove that increasingly serious, widespread corruption had occurred to different degrees in all domains. The results of the first anticorruption drive (in 1991) alone already showed that the losses of the state's and people's property caused by corruption amounted up to 1.7 trillion dong (excluding the losses of other assets). But what was even more serious was that corruption had broken down social order and discipline, corrupted a component of state cadres and personnel, and given rise to a bureaucratic, profit-seeking, public property-stealing, and people-bullying work style. This state of affairs had eroded the people's confidence in the party and state. Voters also dissected the chief cause of corruption, which they attributed partly to the fact that the state management mechanism had failed to keep pace with the real situation, partly to the degeneration and deviation of a number of cadres, party members, and state personnel.

But another important cause was the lack of firmness in the struggle against corruption in the past. Our party and state have issued resolutions, decisions, and directives on corruption suppression; the Eighth National Assembly (at its 10th session) devoted much time to discussing and making decisions on this problem. The real results of the struggle against corruption, however, remain very limited. Even those cases of corruption that have been investigated and prosecuted have still not yet been expeditiously, seriously, and definitely dealt with. This state of affairs has further offended the people and lessened their confidence while enabling the negative forces to find countermeasures and to raise their corruptive activities to a higher level of sophistication and seriousness. The majority of voters' opinions proposed that the National Assembly should strongly push forward the struggle against corruption, considering it an important national undertaking to be carried out even more firmly and thoroughly with appropriate measures and firmness. In the immediate future, those cases of corruption which have been discovered and from which conclusions have been drawn must be severely and justly dealt with. A number of voters suggested that the National Assembly should issue a separate resolution on anticorruption work, establish an Anticorruption Committee (of the National Assembly), and set up special courts to try some serious cases of corruption. In addition, voters also suggested that the National Assembly should consider amending and revising a number of articles of the Criminal Code (those concerning acts of corruption) to provide for fitting legal penalties and to ensure recovery of the property lost in various cases of corruption (at present, only slightly over 10% of such property is recovered). At these forums, many voters also reported on the phenomena of cover-up and protection in dealing with corruption (including the taking of administrative, legal, and party disciplinary action), which broken down social justice and aroused public indignation. Voters also frankly brought up a number of specific mistakes and offenses committed by various law enforcement agencies in carrying out their judicial activities. In view of these wrongdoings, voters requested that efforts should be made to consolidate and revamp the operational apparatus of various judiciary organs.

Concerning public order, voters in Ho Chi Minh City took note of the past efforts of the public security and self-defense forces in joining the people in gradually suppressing social evils and purifying the living environment of the people. These results, however, have failed to meet the real requirements of a major city. Robbery and theft have become a fairly common everyday occurrence. Criminal gangs have continued to exist and operated with impunity, threatening the people's lives. Criminal cases have tended to increase, and acts of disturbing the peace and troublemaking and juvenile delinquency have reached an alarming level. In addition, we must see that various social evils such as prostitution, drug addition, gambling, and drunkenness are still rampant. A noteworthy fact reported by voters was that violations of urban management regulations, such as

illegal construction, occupation of roadways and road-sides, foreign nationals' illegal residence and activities, and so forth... were on the increase recently. It can be said that restoring law and order is a legitimate and pressing demand of voters in Ho Chi Minh City.

Building a Firm and Strong State, Developing the People's Right to Mastery

Motivated by their wish to build a firm and strong state capable of functioning efficiently and bringing into full play the people's right to mastery, voters sincerely expressed many opinions, all focused on four principal issues: perfecting the legal system, consolidating the state management apparatus, strengthening the National Assembly's supervisory role in all social activities, and bringing into full play the people's mastery role in law enforcement and in the struggle against corruption.

The majority of voters' opinions held that the Eighth National Assembly had enacted a number of laws, especially it had fulfilled its task of amending the Constitution and turning it into a basic, supreme legal document in conformity with the national renovation undertaking. However, in view of the current requirements of reality, voters proposed that the National Assembly should quickly promulgate a number of basic laws in the principal fields of social activities such as the labor law and labor protection law to protect the interests of workers and other poor laboring people in the current multisector economy; the civil law to fully regulate civil relations in society (the Regulation on Administration Penalties does not have a sufficient content and jurisdiction to deal with all civil relations in society); the administrative law to regulate relations between state organs and citizens; the commercial law; the environmental law; the bankruptcy law; the law on religious activities, and so forth.... The Criminal Code should be revised to satisfy the need to mete out fitting punishments for the kinds of crime that emerged recently (crimes that are new in both their essence and character). In addition, voters also proposed that the National Assembly should have administrative and economic courts set up at an early date.

With their understanding that consolidating the state management apparatus is a very important matter of decisive significance to the management of all social activities, at their meetings with National Assembly candidates, voters devoted much time to expressing their views on this question. The main theme of their opinions consisted, first of all, in proposing that the National Assembly and Council of Minister should quickly perfect the new management mechanism to meet the requirement of national renovation. In this task, the important thing is to clearly delimit the state function in economic management and in the management and organization of production and business, and to perfect the administrative management mechanism, mainly at the grass-roots levels. The improvement of this management mechanism must be based on the 1992 Constitution and the latest revised laws on organization of the state

apparatus. Voters contended that the improvement of the management mechanism itself would have a major effect on economic development and on the struggle against negativism in social activities. Another important task that should be carried out simultaneously and uniformly is to consolidate cadre organizations, streamline staff, and train and use a contingent of cadres who have both virtues and high professional skills and who are capable of meeting the requirements of the new situation. Voters stressed in particular the need to resolutely struggle to eliminate from the state management apparatus all opportunist elements, profit-seeking speculators, and degenerate, deviant, and incapable cadres and personnel. The fulfillment of this requirement must be closely bound to the struggle against corruption, smuggling, and opportunist elements...that our party, state, and people are carrying out. An issue about which a fairly large number of voters have expressed concern and made suggestions in accordance with their analyses of the realities at the grass roots was the need to strengthen, consolidate, and improve further the subward-and village-level management apparatuses. Voters held that in the situation of national renovation, the grass roots are where the people's right to mastery is directly and strongly implemented and brought into full play, where all working capabilities of the various economic sectors in society are organized and mobilized, and where party resolutions and state positions and policies are directly translated into realities. And it is precisely for this reason that the training of a contingent of good grass-roots cadres should be given more attention by the National Assembly and government.

During its term, the Eighth National Assembly had done a lot of work, but in the opinion of many voters, one of its major shortcomings was its failure to satisfactorily carry out its supervisory function as the highest organ of state power over social activities, of which the most important are the activities of the state management apparatus. Voters proposed that, to be able to satisfactorily perform its supervisory duties, the Ninth National Assembly should improve its organization and specific operational regulations, ameliorate its own working conditions and those of its various specialized committees, resolutely and fully exercise its powers related to its supervisory duties (such as the power to control and question state agencies, mass groups, and social organizations) as determined by law, and hold more meetings and contacts between National Assembly deputies and their constituencies. The National Assembly should firmly deal with all wrongdoings by executive and judiciary organs. A great many opinions of voters requested that the National Assembly should intensify its control work at the grass roots.

At their meetings with National Assembly candidates, many voters welcomed the 1992 Constitution and held that a number of new legal documents contain numerous progressive points and conform with the requirements of national development. On the other hand, however, voters also spoke of the lack of serious law enforcement

in all domains of social activities. Their common suggestion was that in the near future the National Assembly should thoroughly and carefully organize the dissemination and study of laws among the people, mobilize the people to actively struggle against lawbreaking, and make living according to the law a social habit of all citizens. Based on analyses, many opinions maintained that to satisfactorily organize the struggle against law-breaking is in fact to broadly conduct a struggle against negativism and social evils right in families, cities, villages and hamlets. Recent realities showed that the all-people movement for public order and security and for national security have yielded good results. Scrupulous compliance with the law by the entire people and their active struggle against lawbreaking are in themselves an enhancement of their sense of responsibility as citizens and a development of everybody's right to mastery in life.

Ensuring the Basic Conditions for the People's Life

Also at their meetings with National Assembly candidate, voters in Ho Chi Minh City proposed that the National Assembly and state should satisfy a number of urgent requirements concerning the basic conditions for the people's life. Some of these requirements fell under the jurisdiction and responsibility of the National Assembly, some under the responsibility of the administrations at all levels (from the center to subwards and villages). Standing out were a number of concrete issues such as electricity, water, roads and bridges, land, and so forth.... Voters proposed that the state should lose no time in taking measures to overcome the shortage of electricity, which has caused serious losses to production in Ho Chi Minh City, and should ensure reasonable power rates and regulate the distribution of power among the production, business, and private household sectors to meet the need to provide electricity for production development on a priority basis, to avoid waste (in restaurants and hotels), and to ensure adequate, priority power supply for agricultural production. Voters also reported on the unsatisfactory maintenance of the power grid and equipment, which has resulted in substantial losses and damage. The drinking water shortage in the suburbs and in many urban areas (in the fourth, sixth, eighth, and 11th Precincts, for example) has lasted for several years now and has become increasingly serious, affecting the people's everyday life and causing a lack of sanitation, pollution, and diseases. This is a painful problem that should be considered and overcome. In the city, at present most of the roads and bridges have degraded and fallen into disrepair, including some bridges that are in a serious state of disrepair. The city should devise more applicable repair plans (including plans that call for investment). With regard to the land and housing issue in particular, many voters proposed that the National Assembly and Council of Ministers should urgently reconsider and recheck the renting of land and houses out to foreigners, and the indiscriminate zoning and clearing of land for the building of business and entertainment centers, and so

forth, to see to it that these practices are rational and in conformity with the people's wish, and to avoid allowing the pursuit of immediate commercial goals to hurt the long-term national interests in many respects. Voters also proposed that the state should rectify illegal transfers and misappropriation of land, unlawful construction activities, and the trading of houses and land belonging to the state's land and housing fund below their real value, which has caused considerable losses to the property of the entire people. An urgent task that the National Assembly should carry out soon is to promulgate a law on land clearing and compensation payment in construction activities to rectify the current chaotic situation. Numerous voters expressed their wish that the state would adopt a housing improvement policy and program soon, mainly to provide the working people with stable dwelling places.

Article Discusses Problems in Khanh Hoa Party

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4, 5, 7, Sep 92

[Article by Duc Luong, Nguyen Anh Binh, Hai Duong]

[4 Sep 92 p 3]

[Text] Nationwide, there are still a number of provincial party organizations that have not yet held their second round congress. Among these are a number of party organizations that have not yet held congresses because the province was just formed at the beginning of this year and it will take time to stabilize organization and make preparations. Khanh Hoa Province was formed from (former) Phu Khanh Province more than three years ago, but the party organization has still not organized a congress. This problem does not rest in the sphere of party work but is like a long-term "incident." This is a concern not only of the cadres, party members, and people of Khanh Hoa but also of the CPV [Communist Party of Vietnam] Central Committee and of comrades and people throughout the country.

Merge With the Renovation Trend

The renovation line of the party is an important guideline that has contributed to freeing the production capabilities and stimulating the potential and strengths of each region and locality in the country. As a coastal province in central Vietnam, Khanh Hoa has many advantages that it could use in developing a varied commodity economy, particularly a marine economy. Since the [former] province was split, those geographical advantages have been important conditions for the province in determining the economic spearhead based on an industrial-agricultural-tourist-service structure.

As for agriculture, there are only 13,000 hectares of farm land, with the per capita average being only 800 square meters. But thanks to applying the policies of the CPV Central Committee on renovating the contract formulas, quickly applying the scientific and technical advances to the land, and engaging in intensive cultivation and

multicropping, grain yields have increased notably. In a number of districts such as Ninh Hoa, Dien Khanh, and Van Ninh, rice yields have reached an average of 5 tons per hectare per crop. Thanks to this, in 1991 the province's per capita grain yield reached 200 kg, and it is striving to increase this to 250 kg.

As for industry, many local economic bases have gradually changed the management mechanism and focused on exploiting the strengths: processing and producing consumer and export goods and mining minerals. Each year, the fishing catch has reached 30-40,000 tons, of which approximately 10 percent is processed. In particular, a valuable marine product of Khanh Hoa are sea swift's nests. If these are exported at an average price of \$1,000 per kg, that will earn the province several tens of billions of dong annually. A number of industrial installations are working hard and achieving results (examples being the Khanh Hoa cigarette factory, the Nha Trang refrigeration plant, the Nha Trang lead wire enterprise, the noodle enterprise, and so on). These installations are ensuring accumulation and reproduction, contributing to greatly increasing revenues for the budget, and providing jobs for thousands of laborers.

The economy has grown, the lives of some of the people have improved, cultural, educational, public health, and recreational activities have scored a number of achievements, and security and national defense have been maintained. Each year, Khanh Hoa has been one of the provinces that has made rather large contributions to the state budget.

The factors mentioned above vividly illustrate the necessity of the renovation movement. The people of Khanh Hoa have merged with the tendency of the entire country and manifested the tradition of "being disciplined and brave in war and diligent and creative in labor."

What Is Blocking the Way?

The achievements scored by Khanh Hoa are a welcome reality. But there is another fact that must be pondered. Many cadres, party members, and ordinary people in Khanh Hoa have told us that "if there had not been a loss of solidarity, the results would have been even greater and life and social relationships would have been even better." Who is responsible for the loss of solidarity in the provincial CPV Central Committee, people's council, people's committee, and a number of localities and units? Because of the loss of solidarity, leadership and guidance has not concentrated on economic and social issues. And this long-standing state of affairs has damaged the traditions of the party organizations and local people, limited the achievements, and had many bad effects in reforming and reorganizing the party and strengthening the relationship between the party and the people.

A number of documents of the Khanh Hoa provincial CPV Central Committee have mentioned the loss of internal solidarity, including serious cases. Previously, in

many work sessions with provincial CPV Central Committee and people's committee leaders, we were told that there has not been any loss of solidarity in the standing committee of the provincial CPV Central Committee or standing committee of the people's committee. There have only been cases of people not supporting or helping each other with respect to work methods.

But reality is somewhat different. The clearest manifestations are the unprincipled activities. On a number of "burning issues" that must be resolved, the provincial CPV Central Committee has put forth leading resolutions, but the people's council has made conflicting decisions.

The "Hon Noc marsh" incident is a typical example. The Hon Noc marsh belongs to the Doan Ket Cooperative in Vinh Nguyen Subward, Nha Trang City. This marsh yields more than 300 tons of fish a year, which accounts for about two-thirds of the cooperative's annual fish yield. It isn't clear why, but the provincial people's council decided to transfer the Hon Noc marsh to a newly-established fishing cooperative. But in reality, it was turned over to private individuals who were calling themselves a collective. This decision greatly upset the fishermen in Bich Dam Hamlet and Vinh Nguyen Subward. Naturally, they were left empty-handed without work, and their lives became very difficult. At the same time, the contractor and a group of private fishermen spent money like water. After studying this situation for a time, the standing committee of the Khanh Hoa provincial CPV Central Committee guided the state organizations in the locality in soon implementing a plan to transfer the Hon Noc marsh back to the cooperative. But this has dragged on and on, and the matter still hasn't been settled, because the provincial people's council wants to "preserve the status quo" in Bich Dam in order to "greatly expand the economic elements." Some members of the people's council have even said bluntly that the people's council is just enforcing the law. The resolution of the provincial CPV Central Committee is for reference only.

Some members of the standing committee have requested that immediate action be taken to return the Hon Noc marsh to the Doan Ket Cooperative, but others want to investigate the matter further. There are even members of the standing committee who are also members of the people's council who have voted for both the resolution of the standing committee and provincial CPV Central Committee and the resolution of the people's council even though these two resolutions are in conflict with each other.

The negative incidents at the Import-Export, Sea Transport, and Investment Services General Corporation (ISEI CORP) have led to many arguments and different points of view in the provincial CPV Central Committee. The ISEI General Corporation has suffered more than 10 billion dong in losses. Many provincial leaders think that the size and organizational form of this general corporation are inappropriate. They think that

steps should be taken to put a stop to the economic violations and loss of assets and that the corporation should be dissolved. But that has not been done. Those who have exhibited shortcomings and committed crimes have not been exposed but have shifted the blame. With the conflict between guidance and management, there are "rumors" about this person finding a way to "attack" that person, with the ISEI Corporation being just a pawn on the chessboard.

The most prolonged incident with conflicting information has to do with the negative activities at the Nha Trang Marine Products Joint Enterprise. The things that have been done, from setting the targets and arresting the enterprise director to extending the period for temporarily detaining suspects later found to be innocent, have made people think that something unusual is going on here. The masses think that this is a matter of one faction attacking another and that it is not a matter of them "just catching a cat eating a fish" but of them wanting to "throw away the entire tray." The complex story of what has been happening at the Nha Trang Marine Products Joint Enterprise is presented in "Tieng khoc cua mot loai chim yen" [The Cries of a Swallow], which talks about the plots implemented by a number of people in the name of fighting corruption and negative phenomena.

Lack of principles and lax discipline are manifested in the arrangement of the organizational apparatus and the employment of cadres. A number of members of the provincial CPV Central Committee, people's council, and people's committee do not respect the principle of collective leadership but use individual powers to manage things. The result is that many talented cadres are not used or are rendered ineffective, and that reaches all the way to the position of vice chairman of the provincial people's committee. At the same time, many cadres who have little knowledge about the economy or the laws are assigned to important positions. A number of department secretaries (who are here humorously referred to as "second vice chairmen"), the "staff" of the chiefs, have done much damage. The cutting remark "a foreign college is not equal to Grade 2 on the spot" is not just a local saying but is said whenever "cliques become involved," which is always a standard.

The organizations responsible for upholding the law here find it very difficult to carry out their duties because of the very limited "guidance" provided by a number of members of the people's council and people's committee. A number of leaders in the Legal Service have said that in Khanh Hoa Province, there are many documents and decisions that are not in accord with the law and that are contrary to state documents. Perhaps it's because of these loopholes that many poor-quality cadres who lack talent still get promoted and appointed to positions. There have been instances in which cadres who have exhibited shortcomings and who have been disciplined and expelled from the party by party organizations have been given help by the authorities and "promoted." But loyal party members who have dared to struggle have been isolated and "prosecuted."

Besides this, people have used democracy to attack leaders. They have written anonymous letters and spread false rumors in order to tarnish the reputations and reduce the prestige of this or that person. A number of comrades in Nha Trang City and various districts complained to us about things that happened during the first-round party organization congress aimed at attacking this person and supporting that person. And when the results of the national party congress were disseminated and preparations were made for the second-round congress, they secretly took steps to attack this and that person. In the face of this situation, the standing committee of the provincial CPV Central Committee has been "half asleep" in providing guidance. It has not acted resolutely or clearly supported what is right and criticized what is wrong. It has "dealt with things gently," which has proven to be fertile ground for opportunists, who have said one thing but done another, spread many rumors, and made the situation even more complex.

Using so-called "cultural compositions" to attack the party, a number of opportunists, who have carried on factional activities, have served as "midwives" for the two volumes of "The Cries of a Swallow." They have provided the author with data distorting the internal situation. Using anonymous letters and other such documents filled with such charges, the writer wrote and published volume one at the Ho Chi Minh City Youth Publishing House and volume two at the Long An Publishing House.

Immediately after this went into print, ordinary people in Nha Trang City could see that this was a "black book" aimed at causing internal dissension and slandering a number of key leaders in the locality. The provincial CPV Central Committee expressed an attitude opposing the publication and circulation of this book. But strangely, several months later, this book is still being published. In the second volume, new information about previous sessions of the provincial CPV Central Committee, people's council, and people's committee is included. Who is providing this information? Who has violated the principles and disclosed internal information so that the writer could link false and true details to produce a piece of "fiction." Unfortunately, when volume one appeared, the provincial CPV Central Committee reacted in a very passive and confused manner. Some people have asked why it has remained "passive and confused" for so long. If efforts are concentrated on making a careful internal review, looking for the people responsible for providing the data and helping to publish that evil book, and resolutely prosecuting them, the situation will become less complex and the mistrust within will decline.

Above, we have discussed things in general. This article has not gone deeply into various matters or negative incidents in Khanh Hoa. All we have done is cite cases concerned as examples reflecting the internal situation. It must be said that in the present situation, there are certainly party organizations that continue to maintain

solidarity, unity, and stability and that continue to make progress. In those places, there is no factionalism. Cadres have been assigned correctly with the support of the party members and masses and become new factors in the age of a market economy. Placing the bad alongside the good and the hostile alongside the supportive and looking at things in the development process, we hope to discover the root problem.

[5 Sep 92 p 3]

[Text] A leading cadre in Khanh Hoa who was present in the locality throughout the years of resistance against America told us, in a sad tone of voice, that "during those difficult days, including the blackest days, I never saw such pain as I do today." Many ordinary party members at the bases share this gloomy view. Even though people were hungry, the food was tasteless, malaria was rampant, the enemy was everywhere, and the guillotine was in use everywhere, people still had confidence and a feeling a comradeship and brotherly love. But now, things are boiling. Why? What is the reason for this?

Cadres Assigned improperly; Trivial Matters Become Serious.

Khanh Hoa was occupied by the enemy for a long time, and few local cadres received any training. During the resistances against France and America, the entire country provided cadres and human and material strength to aid Khanh Hoa. After liberation, because of the work requirements, many various-echelon and various-sector cadres were transferred there from central provinces and the north. As the point of convergence of many sources of cadres, intelligence should have multiplied for the prosperity of the people and the strength of the country so that Khanh Hoa could gain a position worthy of the rest of the country. But that has not been the case.

As the joy over winning gradually subsided, the "desires" of a number of local cadres began to increase, especially when key positions at the various echelons and in the various sectors were held by "people from outside the province." People began to feel that they were being "blocked" because they sometimes looked at and evaluated things differently and handled the work differently. In other places, this was quite common, but here it was a "sensitive" matter. It isn't clear why the narrow viewpoint of "Khanh Hoa blood" attracted so many people. The ideological work of the local party committee echelons, including the party chapters, was late in discovering this disease in order to treat it and correct the problem promptly. The clearest manifestation of the improper assignment of cadres is that after the province was divided, many work positions lacked leadership and management cadres (because the people of Phu Yen and other provinces had "returned there"). Khanh Hoa hurriedly reorganized things, employing a number of people who did not meet the standards, who did not have the proper skills, and who lacked quality. Even people with

shortcomings and poor discipline were "pushed up the ladder." Still bogged down in employing "native people," the province then fell into the dragnet of "your people and my people" with disputes over who had won and who had lost and who was right and who was wrong. Thus, people usually tended to join together with those who shared their feelings. And it was natural that differences about how to handle things spawned conflicts and mistrust. Because cliques were formed, regardless of the ideas of the party committee collective when assigning and promoting cadres, there were cases of people crudely violating the principles. People cited "democratic rights" or the "rights of the chief" in order to do what they or their group wanted. Rumors about "this and that faction" started from this. Degenerate and degraded people who committed disciplinary violations had an environment in which to operate and a "center" to protect them. Incorrect and even distorted information was given to a number of leading cadres or spread through underground information "channels." Even things that were very clear were totally distorted. Unfortunately, in this situation, some party committee echelons remained passive and "waited for higher echelons to explain things." Criticism and self-criticism at the party chapters was lax, and the regulations on periodically observing cadres were not implemented seriously. The truth was not protected, and erroneous actions and ideas were not criticized immediately.

Thus, trivial matters became serious. That led to even more serious mistakes in later stages.

Relationships Not Handled Correctly

After liberation, cadres came to Khanh Hoa from many places. However, two types of cadres can easily be seen: The first type are those comrades who provided political and military leadership and guidance during the resistance. The second are younger cadres who were trained in the north or who attended school after liberation. The differences in their age and training environment and their different ways of thinking have led to different observations about things and different management styles. That is difficult to avoid, but it can be overcome if the relationships between the leadership of the party committee echelons and the management of the authorities, between high echelons and lower echelons, and between the collective and the individual are handled correctly with the aim of maintaining party principles and if people show tolerance and trust their comrades. Unfortunately, in many spheres, that is not the case.

Using the standards of the years of fierce struggle against the enemy to illuminate the work of the young cadres in the new period, particularly as we become involved with a market mechanism, will lead to harsh conclusions and evaluations. Relying on the technical knowledge that was learned, refusing to listen, being "old-fashioned, conservative, and sluggish," and having a bad style will easily result in people being thought of as "apolitical, concerned only about one's speciality, and unstable." An attitude of being superior and "older and wiser" and of

"revering the past and scorning the present" can easily generate insufficiencies. Such manifestations can be seen, although to different degrees, at almost every echelon and in almost every sector in Khanh Hoa Province.

These differences have gradually been "transfigured" in the way that the relationships are handled. This explains why one person will at one time ask that a policy be re-examined in the name of "political stability" in an effort to resolve matters and at another time act contrary to the resolutions of the party committee echelons in an unprincipled manner in the name of the "independence" of the administrative organization. What is even worse is that people act in an arbitrary manner when evaluating, transferring, and promoting cadres. Standards do not originate from actual practice and they are not based on the viewpoints and principles of the party. Instead, they stem from "me," with "what I say being correct."

Everyone agrees that "things must be turned over to the next generation," but in actual practice, that is not easy. It should not be thought that everyone is trying to "cling to power and position." Isn't there another level, that is, trust in one's comrades and unit? But trust is a two-way street.

Violating Principles, Avoiding the Struggle

The Khanh Hoa provincial CPV Central Committee has analyzed things carefully and concluded that one of the reasons for the mistakes and loss of solidarity is that the principles of democratic centralism and criticism and self-criticism have been violated. Discipline has been lax, and the laws have not been obeyed strictly. Some of the cadres and party members lack a concept of improving themselves and forging moral qualities. This analysis is correct, but it does not go far enough and it is not specific enough. Not unexpectedly, during party chapter activities at the bases, many party members said that "people at higher echelons are responsible for the loss of solidarity. They have violated the principles and weakened discipline and just want to continue advancing. The bases have not done anything that would affect the entire province." Informed of this, the Khanh Hoa provincial CPV Central Committee issued a resolution on the loss of solidarity, but it took more than three months to pass this resolution. That is very telling. Perhaps this is an indication that there is a great difference of opinion within the provincial party organization executive committee. Whenever obstacles arise, people block things, preventing a resolution from being issued quickly at a time when the situation is very pressing. Perhaps the provincial CPV Central Committee lacks a sincere struggle spirit. The provincial CPV Central Committee has asked party members from the bases to discover which individuals are responsible for the loss of solidarity and is expecting the bases to help apply pressure in the "discovery" struggle and help the party committee echelons. But the members of the provincial CPV Central Committee certainly know who has violated the principle of democratic centralism and who has

acted contrary to the resolutions of the standing committee of the provincial CPV Central Committee and provincial party organization executive committee. In party committee activities, there is an expression of unity, but when things are implemented by the people's council and people's committee and at the echelons and sectors, actions are very different. That is true in everything from implementing the economic and social policies (the Hon Noc marsh affair) to assigning cadres (assigning people who have a police record and who have been expelled from the party to important positions). Abandoning the struggle and giving in is fertile ground for nurturing individualism and unprincipled and undisciplined behavior. This is becoming more and more serious. Dealing with minor infractions in an indulgent manner has led to right-wing deviations and weakness. Although the loss of solidarity among the members of the provincial CPV Central Committee is not that serious, this has still had very bad effects. Opportunists have used the disagreements in the party committee echelons to foster conflicts. They have erected signs and not hesitated to use the slogans "for the party and people" and "for renovation" to implement their own individual plans. Because the party committee echelons have shunned the truth and not acted in a straightforward manner in the criticism and self-criticism struggle, factional activities have monopolized the organization. They have disregarded the principles and disrupted order and discipline. Sometimes, they have taken action in the name of the organization, but actually they have placed themselves above the organization.

The Dark and Insipid Aspects of Individualism

Individualism has caused a number of people to slight the interests of the party and people. Their actions are contrary to the qualities of a party member. Some party members in Khanh Hoa have said that this is not only localism but also "individualism in the guise of localism aimed at gathering forces" in order to "win positions" for one's faction. The saying that a "foreign college is not equal to Grade 2 on the spot" does not completely reflect the reality of the situation. Reality has forced those with correct viewpoints to ask: Why are a number of comrades who are natives of Khanh Hoa, who have college degrees, and who enjoy great prestige among the cadres being criticized so harshly? Are localism and individualism necessary stains? These two diseases stem from the same source. Reality shows that because of strongly individualistic ideas, a number of people have joined together and used tricks to slander and insult and lower the prestige of others outside their clique. The secret writing and publishing of "perverse novels" is a typical example. How do you explain the fact that the last page of the book states that only 1,000 copies were printed but a single book seller in Nha Trang has more than 3,000 copies? How do you explain the fact that after volume one was criticized and publication was stopped, people "ran" to another locality to publish volume two? Was it for economic profit or was there some other reason why people published a book not worthy of being called a

"novel" or "literature?" (The only thing that can be said is that that is a dark plot and an intentional violation of the publishing law. The above action shows that when people become mired in individualism, they can go "too far."

Naturally, the loss of solidarity is not a problem just in the provincial CPV Central Committee, people's council, and people's committee and among the cadres holding positions. There are some cadres and party members at the primary level who have "lit the fuse" to destroy solidarity and unity. Many people have said that there is a group that is controlling and directing things, exerting pressure, and wielding influence like an "invisible hand" scratching and tearing apart the party organization for the power and economic interests of themselves and their clique. Unfortunately, a number of those people who held positions have retired. They no longer "hold the banner," but they continue to plot and form factions in order to pass the banner to others in their faction and have the banner fly in the direction of "their wind."

At the cemeteries of war heroes in Khanh Hoa, people and comrades here can read the names and native villages of those who gave their lives to liberate the country and Khanh Hoa. About three-fourths of these people came from other localities in the country. "When they took up arms to fight, those comrades did not draw a distinction between native villages or fight for a certain faction or individual." That statement was made by a party member who has lived in Khanh Hoa for many years. That is something that people who are bogged down should ponder.

[7 Sep 92 p 3]

[Text] We need to tell readers frankly that none of the key leaders in Khanh Hoa wanted this matter raised in the press. "It's better if we handle the matter ourselves. The consequences should be weighed carefully." That's right. We agree, because that would probably be better. And in our view, unless this is handled very skillfully, people lying in wait on the outside will rejoice and use distortions, change white to black, and attack the party organizations and ranks. But there is also another way of viewing this. The lesson of Khanh Hoa is essential for all of us. When he was alive, Lenin taught that "the attitude of a true party in the face of its mistakes is one of the most important standards for examining that party and determining if it is serious. Openly admitting the mistakes, finding the reasons for the mistakes, analyzing the circumstances that allowed the mistakes to be made, and carefully studying measures to correct the mistakes are all signs that the party is serious."

Localism in Any Form Is Not Acceptable

Being truthful and fair will reveal the thinking and feelings in the arguments of comrades when the province was divided and positions were assigned to cadres in Khanh Hoa. As an area that was temporarily occupied

and as a difficult battlefield, Khanh Hoa lacked cadres for a long time. Seven-hundred people, including students from the south, were regrouped in the north after the resistance against France. When they returned, things were very different, and many people had died prior to 3 April 1975. [Footnote 1] [The day Khanh Hoa was liberated] Adhering to their sources of support and maturing, most of the older people were able to attend only a "revolutionary school." The phrase "one pillar, two zones, three prisons, and four bounds" did not distinguish only treatment. Self-esteem and pride were interwoven. The desire to achieve something great was highly respected in revolutionary feelings. Initially, there was not any mutual support. There was "outward agreement but inward disagreement" between Phu Yen and Khanh Hoa in the assigning of cadres. This was the case at the key leadership levels and in the sectors and localities, and finally this filtered down to the units and bases. Certain positions were reserved for people from Khanh Hoa and others were reserved for people from Phu Yen and neighboring provinces. In order to stabilize things and achieve solidarity based on the initial tendency of "for the country," a temporary compromise was reached. During the resistance, confronting the enemy and facing tests in making sacrifices, the people of Khanh Hoa, Phu Yen, Quang Nam, Quang Ngai, Binh Dinh, and many northern and central provinces were all on the front line. But after the party seized power, the future no longer called for shedding one's blood. All people saw were interests and rights, which created different motive forces. There were persuasive reasons for dividing the province. "The cadres will be close to the people, and the localities will be close to the bases." But many people thought (although they did not voice their opinion) that the province was being divided because "there were few positions and many people" and "native people can easily become reconciled." The Hon Noc marsh affair, a far-reaching matter that started in order to shift use rights, is localism.

Everyone says that the feeling of "fellow-countrymen" is a wholesome factor. But going beyond that, you fall into localism. When local interests are promoted, people lose an all-round view and "covet the small and abandon the large." For the sake of the interests of one person, one group, or one organization, common interests, standards, principles, morals, and righteousness are disregarded. This is unacceptable. A great danger is that people will try to find ways to destroy and oust each other in order to build up their own clique. As local powers and positions increase, the greater the danger. Many people in power have said that during the period of great sacrifice, no one drew a distinction between blood, except when necessary to identify blood type for giving transfusions. In our country, in the past as well as today, which area was not saturated with the blood and sweat of our comrades and people? Localism in any form is an obstacle to the revolutionary process and to renovation, a display of ingratitude to those who preceded us, and a crime against those who have died.

The Danger of Individualism and the Struggle for Power

If this is not affirmed it will not be possible to explain why, after the province was divided, the lack of solidarity has dragged on for so long in Khanh Hoa and why this is becoming more and more serious. Unless the real roots of this are pointed out, it will be easy to misunderstand and flatter each other for reasons common to every locality. It's obvious that there are cliques and that there is localism, lax discipline, and a lack of struggle. But can the disorder and long-standing inability to solve the problems be due to this alone? Is there localism among the people of Khanh Hoa themselves?

Having worked with the leaders of the Khanh Hoa provincial CPV Central Committee many times, we know that these people are very concerned and worried about the local situation and that they support and are concerned about the youths. But is that why they are hesitating and quietly pondering things as if they were playing a game of chess? They are anxious to solve the problems, but they are also afraid of making a mistake and suffering losses. Individualism, or to be more exact, individual calculations, are concealed by many points of view and have persuaded many people. Avoiding things, protecting one's own life, maintaining one's own position, fearing being punished and attacked, and "fearing disaster" are rather clear manifestations. The important thing is to find a way to keep yourself from being dragged into things. This is the attitude not only of a number of key comrades but also of people in the party committee echelons and many party members. This is why the truth is not defended and why mistakes are not criticized and condemned. Even when mistakes are seen, they are not corrected. Even when there is a desire to correct the mistakes, each person has a different method. Thus, when cadres are assigned improperly or people abuse their power, no one dares do anything about it. This is also why negative phenomena are not quickly brought to light and dealt with harshly. People have complained that "in positions such as mine, what is right is not protected. Ask ordinary people who will provide protection." In difficult revolutionary times, many people died to protect their comrades and units and people made sacrifices to shelter cadres. But now, this feeling of comradehip has been lost!

Individual considerations and competition for prestige provide fertile ground for the spread of opportunism. Along with the pain and steadfastness of loyal cadres (most of whom are retired cadres and party members) who oppose the negative elements, there is gloating by a number of people over "groping for fish in muddy waters." They have erected the signs of localism in order to conspire behind people's backs and aimed blows at the key cadres and party. They know how to use the weaknesses of the key leaders (who lack capabilities, waver or hesitate, and so on) and the loopholes of internal activities in order to carry out their plans. "Helping the weak who are easy to control is better than having skilled people who are difficult to manipulate." The conflicts within the provincial CPV Central Committee are not as

profound and complex as people believe. But because of these things and this way of monopolizing things, the situation has become very serious. The difficulties within stem from outside causes.

Where is the individualism? The goal is to "create internal dissension" in order to gain power and assign positions, particularly economically profitable and powerful positions, to people belonging to one's own clique. In order to do this, they use a variety of stratagems: attacking people, creating divisions, denouncing people, controlling things, making threats, spreading rumors, fabricating stories, creating doubts, reducing people's trust, causing internal dissension, and so on. That is unscrupulous individualism.

Pay Attention to Lax Discipline and Lack of Leadership; That Is a Danger

A happy sign with respect to this article is that we were informed that the standing committee of the provincial CPV Central Committee and the Khanh Hoa party organization executive committee held a meeting to review their work and resolve the issues. The sense of urgency of the people and the displeasure of loyal comrades means that the people responsible can no longer put things off. This is the "last threshold" of the loss of internal solidarity. No one should have any doubts about this initial result. Passing beyond the orbit of "holding the fort," waiting, and rejecting things of past years, comrades are seriously taking responsibility for putting forth measures to handle things and accepting the discipline of the party and people.

Comrades in Khanh Hoa have seen the great damage done when discipline is lax, people remain aloof from leadership, and the individual is allowed to stand above the collective. The concept of organization and discipline and the party spirit of communists rest above all executing things. This "shock" is a warning to all of us.

Even so, the party still has many things that are not in line with the tasks and that must be renovated and reorganized. The party's leadership formula with respect to the administration is a basic element that must be improved in accord with the requirements of the new era. But it must be understood that the administration is the fruit of the party's ideas and the people's wishes and the essence of the bones and blood of the people and the intelligence of the party. The people won't allow just anyone to give themselves the power to represent them in order to divide the interests contrary to the wishes of the people and the ideas of the party. The criticism here is that a number of party members, including people who hold positions in the party, have forgotten this point. They have used the people's council and people's committee as a forum and as a counterweight to exert pressure for the sake of their own interests, not the interests of the people. This is what has damaged the relationships, resulted in conflicting policies, resolutions, and measures, and reduced the leadership prestige

of the provincial CPV Central Committee and management effectiveness of the authorities. Because of the lax discipline and lax leadership of the collective, in many activities, people have simply "gone their own way." The greatest danger is that ideological work can't guide thinking and explain things to the cadres, party members, and people when the ranks of key leaders hold different views and advocate different policies except when they talk in the most general terms. Because of this, there is no way to guide and lead the work of fighting corruption and opposing negative phenomena. The administrative and legal organizations lack close coordination, which has caused people to wonder if there are various cliques hiding at this or that echelon. People have the right to ask: What is going on regarding all the slanderous accusations, "revealing books," and leaked internal secrets and the arrest, release, and rearrest of people? Is anyone in the functional organizations participating in managing things, and who is providing leadership?

The principle of democratic centralism, collective leadership, and individuals bear responsibility is something that should be "well known," but it is still very new to us, like the first lesson. This principle must be implemented not by using slogans but by implementing the laws and controlling things strictly.

A "Fighting Staff"; Resolute Action Needed

The joy and enthusiasm on the faces of leaders in Khanh Hoa was plain to see. Meeting us, they gave a sigh of relief and said: "We want to thank the Secretariat and work team for coming recently." Accepting the discipline of the party, they seemed at ease and confident. We understand that before this people had uttered the reproach "only if this had happened sooner." Yes, if this had happened sooner, these comrades would not have made such major mistakes before the party and people. And many of these people are people who withstood the test of imprisonment and exile and who scored many achievements for their native country.

The loss of solidarity in Khanh Hoa is not something new. When it was still joined to Phu Yen Province, key leaders in Phu Khanh showed a lack of solidarity and mutual acceptance, and the central echelon was aware of this. If higher-echelon organizations had resolutely clarified things and taken resolute action at that time, things would have been much better. But the only action that they took was to transfer a number of people. The bad thing in cadre work is that when the province was divided, a number of comrades who had had problems and who had been transferred were sent back and appointed to positions of even greater responsibility. Thus, the "fuse" was lit. After the province was divided, the resolutions promulgated by Khanh Hoa frequently mentioned internal solidarity. Perhaps because it put too much faith in the argument that the loss of solidarity stemmed from a "joint province," the central echelon allowed Khanh Hoa to handle things itself. Appointing

the right person to head things and giving attention to the many relationships are lessons that should be pondered.

Reality shows that if there is a loss of internal solidarity, particularly in a province with many difficulties, without the resolute, objective, and active intervention of the central echelon, it will be very difficult to resolve the problems. If action is not taken when things are still relatively simple, the situation will just become more complicated. In 1990 and 1991, many functional organizations of the central echelon came and spent much time studying things. That was a period when many conflicts came to the surface. The people involved waited for a decision. Those causing the trouble stepped up their activities and generated much information in order to extend the time it took to figure out what was right and what was wrong. In that situation, it became even more difficult for the central echelon to provide guidance. It was difficult to implement the directives and resolutions fully and strictly. The Vung Ro dispute between Khanh Hoa and Phu Yen is a typical example.

If a lack of solidarity is allowed to drag on for a long time, not only will it be difficult to deal with this but this will reduce the confidence of many people. We know that some comrades have told the work team: "Only if the central echelon is resolved to solve the problems will we express our political views." If resolute action is not taken, loyal people will be trampled on and neutralized, and more cadres will be lost.

In Khanh Hoa, we learned a profound lesson from life: Wherever there is a lack of solidarity, immediate steps must be taken to deal with that situation, the earlier the better. At high echelons, if there is a lack of solidarity among the key cadres, higher echelons must intervene and use strict measures to manage things, although lower echelons must make an effort and be resolved.

Khanh Hoa provides a lesson concerning the leadership, control, and management of the central committees and sectors, particularly in managing cadres and controlling the ideological, publishing, and press fronts. The localities must be respected, their dynamism and creativity must be supported, and there must be confidence in the flexibility of the "fighting staffs" in the hands of the localities. But there must also be a mechanism to intervene and control things.

The problems of Khanh Hoa have only recently begun to be solved at the macrocosmic level. The echelons and sectors are still in a state of confusion. It will take more than a day or two to solve all the problems. And the central echelon can provide only so much help. Making decisions is still the role of the Khanh Hoa party organization. Above all, there must be a belief in stability through the criticism and self-criticism struggle of the provincial CPV Central Committee. There is not much time left until the start of the second-round provincial party organization congress. Besides preparing review reports and putting forth guidelines for the coming term,

the human affairs work of the congress holds a very important position. If this is not done well, the situation will become even worse and even more confused. Originally, there were few cadres, and through the struggles and transfers, mistakes were certainly made with respect to number and quality. But you can't wait for someone else to do things for you. You have to discover things yourself and nourish the new factors from the base. You can't miss the forest for the tree. Steps must be taken to maintain democracy, purity, impartiality, and altruism, and the work of the party and people must be viewed as the key in order to select and affirm a rank of leaders with the strength to overcome the difficulties, forge solidarity, and build up things. Cadre work is the decisive point, but ideological work is the starting point. The negative phenomena must be clarified and dealt with resolutely. When someone does something wrong, that must be corrected, the sooner the better, in order to restore order and discipline and regain the trust of the party members and masses.

The Politburo and Secretariat of the CPV Central Committee have analyzed the situation in Khanh Hoa and guided the locality in reviewing things carefully. In the criticism and self-criticism struggle, the standing committee and executive committee of the provincial party organization have begun to clarify what is right and what is wrong in order to protect what is right and deal with those who have committed mistakes.

Although temporary damage has been suffered, through cutting away and eliminating things, with their glorious tradition, loyalty, and steadfastness, we are sure that the party organization and people of Khanh Hoa will move forward in step with the renovation movement of the entire party and all the people.

ECONOMIC

'Unusual' Features in City's Economy Noted

932E0001A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 17 Aug 92 pp 1, 2

[Article by Vo Han Lam: "The Emergence of Unusual features in the City's Economy During the Last Months of the Year"]

[Text] The city's economy left fairly deep marks during the first half of 1992: Industrial and small industrial and handicraft production in the entire city was up 20.4 percent over the same period of the previous year, representing a record progress over the past few years. In agriculture, the volumes of paddy, peanut, and winter-spring sugarcane production and herds of hogs and dairy cows... were fairly high. The export value reached \$231.8 million, an increase of 16.7 percent over the same period of the previous year. The price index of goods recorded an increase of only 1.8 percent a month, lower than set norms. The prices of gold and the dollar, which were under control, were relatively stabilized.

However, besides these positive figures, managers and producers begin to see an emergence of unusual signs. The market is glutted with such goods as cloth, sugar, milk, beer, cigarettes, earthenware, chinaware, glassware, iron, steel, engines... because of their inability to compete with imported goods, especially smuggled foreign goods. Many import-export companies have suffered losses because the exchange rate of the U.S. dollar has dropped below the level of 11,000 dong for one U.S. dollar. Given the current prices of agricultural and forest and maritime products, except rice, they can be exported with profits only with an exchange rate of more than 11,300 dong for one U.S. dollar.

The realities of July show the consequences of these unusual signs: as compared to June, the industrial and small industrial and handicraft production in the entire city almost achieved set norms, in which the city's state-run production was down 2.5 percent; the export value dropped 1.3 percent; and the import value decreased by 7 percent. The prices of gold and the dollar were still on the downward trend.

In particular, since the end of July and early August, these signs have become even clearer. The prices of milk, beer, cloth, sugar, cooking oil, electrical fans... have been lowered, even below their production costs, in order to be sold. The volumes of goods in storage have been increasingly high. As of early August, units of the Hong Gam Joint Weaving Enterprise alone had been unable to find any market for their about 1.8 million meters of cloth and 200,000 towels of all kinds, and if they want to sell their products, they must lower the selling price from 500 to 2,000 dong per meter, depending on each kind of cloth. There is now a glut of previously highly marketable items such as cotton cloth, khaki-tetron cloth, polyester-silk cloth, double-knit cloth.... Meanwhile, the price of gold, especially the price of dollars, is continuing to drop. At the 10 August transaction session at the Foreign Currencies Transaction Center, the amount of foreign currencies registered for sale rose to a record high: nearly \$2.4 million, some 16 times the amount registered for buying. Despite the State Bank's efforts to buy in to keep the price of the dollar from falling down dramatically, the rate of exchange has dropped below the 11,000-dong mark. Thus, compared to December 1991, in July 1992 while the price index of goods increased by 13.73 percent and services by 37.03 percent, the price of gold was down 24.67 percent and the price of the dollar dropped by 19.21 percent. On an average, in each of the first seven months of this year, while the price of gold decreased by 3.95 percent and the price of the dollar by 3 percent, services increased by 4.6 percent and the prices of goods by 1.8 percent. If this trend continued, the import-export activities would face the danger of being "frozen," thus affecting many production sectors.

Aside from these signs, the city economy itself is still studded with difficulties that have not yet been completely solved: the payment of debts has been partly settled in phase one; capital for production is lacking seriously; foreign debts are overdue; many major units

are suffering heavy losses; back taxes amount to hundreds of billions of dong (the import-export back taxes alone amount to 172 billion dong); smuggling is on the rise; and the volumes of smuggled foreign goods are increasingly high. While the requirements for protecting locally manufactured goods are not defined in the city's policies, most machineries and equipment are obsolete....

All these things are unstabilized factors threatening the economy. To solve them, there must be prompt, uniform coordination from the central level down to localities, between policy makers and executors, and among branches and echelons. There is need to promptly promulgate policies aimed at encouraging local production, to revise and complement the import-export taxation system, and to adopt effective measures for preventing and halting goods smuggling.... Time does not permit us to procrastinate.

Official on Measures To Collect Back Taxes

922E0211 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 5 Aug 92 p 18

[Article by Mai Van]

[Text] Editor's note: The conference held on 21 July to review the task of collecting taxes in Ho Chi Minh City during the first half of 1992 laid special emphasis on back taxes owed by various economic organizations, mainly state-run economic units, amounting to more than 350 billion dong. A THOI BAO KINH TE SAIGON correspondent had an interview on this issue with Dang Thien, deputy head of the Ho Chi Minh City Tax Department. The following are the contents of the interview:

[TBKTSG] To our knowledge, as of 30 June 1992, the back taxes owed by a number of units, most of them state-run units, had amounted to as many as 350 billions dong. What measures has the city Tax Department adopted to address this issue?

[Thien] As of 30 June 1992, the total amounts of back taxes had been 341.1 billion dong and 12,754 tons of paddy, of which the back taxes owed by the state-run sectors were 317.1 billion dong.

The back taxes owed by the state-run sectors are high because of the following:

—A number of units such as the central-level weaving sector, the electrical sector, and the cement sector have requested that they be allowed to keep the basic amortization money and to collect and use state budget capital for investment in basic construction. Their requests are being considered by the Ministry of Finance.

—The Saigon Beer Brewery, The Vinh Hoi tobacco factory, and the Ben Thanh Tobacco Factory have requested that they be allowed to keep the special

consumption tax money for investment in basic construction or for buying raw material for stockage.

—A number of central-level import-export units and the VISSAN Company are still unable to export their produced goods.

—A number of units are dragging their feet in paying taxes in the hope of appropriating and using the state budget capital.

It can be said that there are many causes of owing back taxes. Therefore, the city Tax Department has adopted the following measures for collecting them in the coming period:

With regard to units which have intentionally appropriated and used the tax money, the tax collecting agencies will fully implement procedures for urging the collection and payment of taxes. They will mete out penalties to units which are slow in paying taxes. The city Tax Department will coordinate with the People's Organ of Control and the State Inspectorate in dealing with those units which fail to pay their back taxes.

—The city Tax Department will recommend to the central and city echelons that they settle the question of sources of capital for units for investment in basic construction and of replenishing their liquid capital. The tax agencies will not allow any units or individuals to use the tax money either to invest in basic construction or to purchase materials and raw material.

—The city Tax Department will propose to the Ministry of Finance that it promptly settle the question of registering revenue and expenditure entries by a number of units during the stage of their extended reinvestment. This is necessary to put an end to the practice of holding and using the tax money.

—The city Tax Department will coordinate with other agencies in the current phase of controlling the collection and payment of the budget for the last half of 1992, and in urging the collection of back taxes.

[TBKTSG] Economic organizations are continuing to complain that a number of pitfalls in the implementation of tax laws have been belatedly settled, thereby causing difficulties to tax collecting units. How will this problem be solved?

[Thien] Three new tax laws were passed by the National Assembly and became effective 1 October 1990. Before they were promulgated by the National assembly, these laws had gone through an extended period of study and formulation as our economy was undergoing constant changes. Therefore, when they were made public and officially applied, a number of provisions were no longer suitable to realities, and were to be replenished and revised in order to make them reasonable. In implementing the tax laws, the city tax sector has frequently reported to the central echelons on the difficulties encountered, and on the irrational features of the tax

policy in force so the higher echelons will address them. In particular, beginning 1 October 1991, the city tax sector carried out the Ministry of Finance's circular No. 59 on guiding the implementation of the Council of State's Decision on replenishing and revising a number of provisions related to the trade returns tax and the special consumption tax. In general, many points of circular No. 59 were revised to create favorable conditions for stepping up production and trade (for instance, lowering the tax rates for some sectors and occupations...). However, its implementation was still encountering difficulties, thus proving that the circular could not actually be applied. Most striking were the difficulties in computing the trade returns tax on the basis of the discrepancies between the selling and buying prices of goods (difficulties encountered in the way the buying prices were determined and in the application of four conditions stipulating the computation of taxes on the basis of discrepancies of prices...) These difficulties were reported several times to the Ministry of Finance and the Tax General Department by the city Tax Department. It was not until 14 July 1992 that the Ministry of Finance issued Circular No. 26-TC-TCT/CS revising Circular No. 59. Through study, the city Tax Department has noted that Circular No. 26 has solved many problems to which the city Tax Department has brought to the Ministry of Finance's attention. Nevertheless, there still are some points which have remained unchanged, like in the case of computing taxes on the basis of discrepancies of prices: for a unit suffering losses, should the trade returns tax be computed on the basis of discrepancies of prices, considering the fact that the trade returns tax is the indirect tax to be paid by consumers? or can only one method of computing the trade returns tax be applied to one enterprise? Since solving these problems, according to tax law provisions, does not fall on the authority of

local tax agencies, the city Tax Department will continue to submit its suggestions to the Ministry of Finance for settlement of these problems so as to create favorable conditions for enterprises to develop their production and trade.

[TBKTSG] What will the city Tax Department suggest to the higher authorities to free both the tax payers and collectors from the same difficulties they are encountering now?

[Thien] To enable all production and trade enterprises (tax paying targets) to scrupulously comply with all tax law provisions, the Ho Chi Minh city tax sector must, on the one hand, strengthen propaganda work and disseminate and introduce the tax policy to each tax paying target, ensuring that the latter will thoroughly understand them. On the other hand, it must constantly keep tab of each change in the economy in general, and in each production and trade enterprise in particular, in order to study the rationality and feasibility of the tax policy in real life and, on this basis, to promptly report to the central echelons irrational points that need to be replenished and revised. By the same token, to ensure correct, uniform, and harmonious implementation of tax law provisions, the Ho Chi Minh City tax sector requests that tax collecting units scrupulously carry out the tax policy and abstain from applying it at their own convenience in contravention of tax laws. At the same time, the city tax sector is looking forward to receiving contributions from production and trade enterprises through promptly pointing out irrational points of the tax policy or reporting on the incorrect implementation of tax laws by tax cadres. This will enable the tax sector to study impractical tax provisions, to deal with violators of tax laws, or to submit suggestions to the central echelons for consideration and implementation.

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